



Daily Report

Central Eurasia

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NOTICE: An * indicates material not previously disseminated in electronic form.

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Rights Declaration by Congress of Russians Abroad
MK1207082095 Moscow DELOVOY MIR in Russian
11 Jul 95 p 1

[place and date not given; "Declaration by the Constituent Congress of Authorized Representatives of Russian Communities, Organizations, and Associations Abroad"]

[FBIS Translated Text] We, the delegates to the Constituent Congress of the Council of Compatriots from all former USSR republics previously in union with Russia, representing Russian and other nations, having been divided as a result of the disintegration of the Soviet Union,

— being convinced that the fate of tens of millions of Russians and former USSR citizens oriented toward the Russian language and culture is objectively linked with the future of peace and conflict-free cooperation among nations throughout the entire post-Soviet space,

— experiencing in the majority of the new independent states infringements of basic rights and freedoms because of nationality, as manifested in discriminatory laws on citizenship and the right to work and choose a place of residence, in the deliberate exclusion of Russian compatriots from political and cultural life, and in threat to their lives, security, and wellbeing,

— confident that sponsoring and protecting the rights of the disunited compatriots will contribute to maintaining political, social, and economic stability of the states in which they presently live, and that this is not in conflict with international law,

— mindful of international experience in ensuring equality of rights for all former citizens of disintegrated state entities and their descendants,

— taking into account that only the Russian Federation, being the USSR's legal successor, thanks to its political authority, economic influence, and military power, is capable of becoming the main guarantor of the inalienable rights and freedoms of Russian compatriots who have been scattered about 15 sovereign but interdependent states as a result of the single union state's disintegration,

— fully realizing the social and economic hardships experienced by the Russian Federation, but believing that a mass exodus of foreign compatriots to Russian territory is fraught with still greater calamities and destabilization of the situation in Russia itself, as well as welcoming the integration of the organized part of Russian compatriots into the Council of Compatriots in the interests of consolidating ethnic Russians with their historical Motherland — Russia,

declare that the Russian Federation is the metropolitan country for Russian compatriots who have found their national state entity in no other country than Russia,

regard as Russian compatriots all Russians and representatives of other nations who once lived on the territory of the Russian Empire, the Russian Soviet Federated Socialist Republic, the USSR, or the Russian Federation, and their direct descendants who acknowledge their linguistic, cultural, and spiritual affiliation with Russia,

and urge the representative and executive branches of the Russian Federation to accept a course of reintegration of nations and states by pursuing a uniform, consistent policy with respect to countries of the new abroad, and by making specific pledges to support and protect Russian compatriots living abroad.

ITAR-TASS Carries Press Review for 12 Jul
LD1207055195 Moscow ITAR-TASS in English
0544 GMT 12 Jul 95

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW July 12 TASS — "The first divine service in the Christ the Savior Cathedral is scheduled for August." This is the headline of a report from the construction site of the Cathedral, published by IZVESTIYA. Many people in the country, including journalists, are closely following the progress made by the builders. The Cathedral, which is growing rapidly, makes senseless all discussions about whether or not it is necessary to restore it, the same as all speculations about the sources of financing.

ROSSIYSKAYA GAZETA frontpages the hearings at the Constitutional Court on the problem of the legality of the Decrees of the President and of Government resolutions on the restoration of constitutional legality in Chechnya. The newspaper quotes Sergey Shakhrai as saying that "the Chechen tragedy started with the seizure of power on part of the territory of the Federation. In November 1990 the first congress of the Chechen people was held (later it was given the name of the All-National Congress of the Chechen People), which proclaimed itself to be "the supreme forum of people's power in the Chechen Republic." From the very beginning its activities were aimed at the alienation of the Chechen land. In summer 1991 the Congress began to take action with the aim to seize power.

On October 1991 the executive committee of the Congress organized so-called elections. They were held on the territory, outlined without any specific criteria, which was only part of the territory of the Chechen-Ingush Republic. The population of six out of 14 districts of Checheno-Ingushetia, which, on the whole,

did not share the views of the Congress, was just kept away from the elections. Naturally, the elections held in this way, could not be recognised as valid in the Russian Federation."

"When I heard in the court room that the great Russia is waging a war against its own people in Chechnya, my impression was that I was at a political meeting and not at a session of the Constitutional Court," Valentin Kovalev, Minister of Justice and member of the State Duma from the Communist Party of the Russian Federation, told TRUD, commenting on the atmosphere that is taking shape around the Constitutional Court. He was the first expert who spoke at the hearings.

ARGUMENTY I FAKTY carries an article, entitled "Where Is Our Much-Praised Alfa?" Specialists say that the Alfa special task force was committed to action in Budennovsk under circumstances, which made its destruction almost inevitable. For four hours its men were kept under the fire, which was so thick, that even when they were assaulting the palace of Amin, things were not that bad. According to the documents, it is Yerin, now ex-Minister of the Interior, who was in charge of the operation. Even today no one has answered the question: why 15 armoured personnel carriers and armoured vehicles of the Vityaz special task force of the Interior Ministry did not come to support Alfa, and its was left without fire support.

Again Alfa became a scapegoat, a hostage of the inconsistent policy of the authorities, who first issue an order to begin an assault, although it was not prepared well enough, then stop the task force, when it is half way through, and start talks with the terrorists.

The weekly raises the question: is there the "Islamic trace" in Russia. The tragedy in the Stavropol Region, which was closely followed by millions of Russians, confirmed once again that the threat of the spreading of extremism is quite real in this country.

The Islamic trace was found in most of the major acts of terrorism, staged during the past several years, specifically, the air crash of a U.S. plane over Scotland in 1988 and an explosion at the International Trading Centre in New York.

It is paradoxical, but the thing is that Islam, the same as other religions of world significance, professes non-violence, love for other people and repentance. The notion of jihad (the sacred war) is being distorted, deliberately or not, to serve somebody's political ambitions.

It is common knowledge that there are some 20 specialised camps in Sudan, where fighters are being trained. During the war in Afghanistan, camps for training terrorists in Pakistan posed a special threat for Russia and other CIS member states. It is there, near the city of Peshawar, that the mujahideens (fighters for the faith) were trained. The Afghan war has been over for several years, but the camps for training terrorists are still functioning. According to the existing information, Tajik opposition fighters, men from Chechnya and even Crimean Tatars were trained there. According to some reports, Pakistani instructors were illegally smuggled to the Crimea to train fighters right there.

"The latest actions of the federal authorities show that, after giving up the idea to resolve the Chechnya problem by means of force, the federal authorities lost their bearings and are resorting to improvisation," Andronik Migranyan writes in the MOYA GAZETA weekly, of which he is editor-in-chief.

IZVESTIYA correspondent Leonid Kapelyushny found a village near Odessa, in which all the residents are making their living by the production and trafficking of narcotics. People began to call the village Palermo, instead of its old name of Korsuntsy. The authorities can do nothing about the new occupation of the Korsuntsy residents.

Karasin Hosts Foreign Ministry News Conference

'Concerned' Over Bosnian Troop Action

LD1107150695 Moscow ITAR-TASS World Service
in Russian 1349 GMT 11 Jul 95

[By ITAR-TASS diplomatic correspondent Valeriy Sevryukov]

[FBIS Translated Text] Moscow, 11 Jul (ITAR-TASS) — The Russian Foreign Ministry "is deeply concerned" over the latest actions of the Bosnian Government troops, which have resulted in the situation becoming increasingly tense near the town of Srebrenica, and in the death of a Dutch serviceman from the UN peacekeeping forces. "We regard such actions as inadmissible," Grigoriy Karasin, head of the Foreign Ministry Department for Information and Press, said at today's briefing.

He said the Russian Federation, together with its partners jointly looking for a political way out of the crisis in former Yugoslavia, demand that all the conflicting parties should ensure the safety of the UNPROFOR personnel. At the same time, he demanded that the international community should adequately assess all the parties' actions within the framework of "unified control."

Grigoriy Karasin described the attempts to change the strategic situation through hostage-taking, to hamper the peacekeeping forces in the performance of their duties, and to step up military confrontation, as "futile." The Russian Federation official spokesman said a solution to the whole problem and its components can only be found through negotiations.

Welcomes Signing of Interim EU Agreement

LD1107171495 Moscow INTERFAX in English
1448 GMT 11 Jul 95

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] MOSCOW, July 11 (INTERFAX) — The Russian Foreign Ministry believes that the signing in Brussels on July 17 of the interim trade agreement between Russia and the European Union "will allow to speed up the ratification of the principal agreement on partnership and cooperation signed by Russian president and the EU leaders in summer 1994 on the island of Corfu (Greece)," Yuriy Ushakov, director of the Foreign Ministry's All-European Cooperation Department, said in an interview with Interfax Tuesday.

He said the Russian side "will seek to ratify the document, which is of obvious benefit to Russia, as soon as possible."

"We believe there will be no problems with the ratification of the comprehensive agreement on our side," stressed the diplomat. He said he hoped the ratification process would begin in the EU countries soon after the signing of the interim trade agreement.

The signing of the already initialled interim trade agreement between Russia and the EU and the ratification of the large agreement were blocked by the EU in connection with the developments in Chechnya. European leaders decided at the EU June summit in Cannes to set the process in motion again.

"Procedure requires that an official decision on the issue must be taken by the EU Council of foreign ministers, whose session will take place in Brussels next Monday," said Ushakov.

He said "foreign ministers of the EU countries are expected to take such a decision in the morning of July 17 and the interim trade agreement will be signed in the afternoon."

According to the diplomat, the document will be signed by Russian Foreign Minister Andrey Kozyrev, Spanish Foreign Minister Javier Solana (Spain is now presiding over the EU) and Hans van der Broek, member of the EU Commission responsible for international affairs.

The last details of the upcoming event are now being worked out "through diplomatic channels," said Ushakov.

The diplomat believes that the signing of the interim agreement will allow Russia and the EU to overcome a certain strain in their relations that appeared "in the first half of 1995, and put the sides on the course to strategic partnership, which was defined on the island of Corfu."

In addition, he said, "basic economic provisions of the principal agreement" will start working after the interim agreement comes into effect.

Before leaving for Brussels on July 17, Russian Foreign Minister will speak at the opening ceremony of the scientific conference "20 Years of the Helsinki Final Act — on the Way to a New Model of All-European Security" in Moscow, said Ushakov.

According to him, it will be "an extraordinarily authoritative forum, which will be attended by delegations from virtually all OSCE [Organization for Security and Cooperation in Europe] countries."

The diplomat said "the aim of the upcoming conference is to make more active the work on putting into practice the Russian initiative, launched at the OSCE summit in Budapest, to create a common and comprehensive security model for the Europe of the 21st century."

"Changes to the better are happening in the relations between Russia and the European Union," Russian Foreign Ministry spokesman Grigoriy Karasin told a briefing in Moscow Tuesday, commenting on the signing of an interim trade agreement between Russia and the EU, scheduled to take place in Brussels on July 17.

He stressed that Russian Foreign Minister Andrey Kozyrev would sign the agreement "on the instructions of Russian President Boris Yeltsin."

According to Karasin, the upcoming event is very significant from both political and economic points of view.

"Our cooperation with the EU will get a new impulse. Economic provisions of the principal agreement start working, the prospects of its ratification are becoming clearer," he said.

U.S. Decision on Vietnam Ties Hailed

*LD1207084895 Moscow ITAR-TASS in English
0825 GMT 12 Jul 95*

[By Vladimir Solntsev]

[FBIS Transcribed Text] MOSCOW July 12 (ITAR-TASS) — The Russian Foreign Ministry hails the decision of U.S. President Bill Clinton to reestablish full diplomatic relations with Vietnam, ITAR-TASS was told by Deputy Foreign Minister Albert Chernyshev Wednesday.

"Better late than never," he commented.

"The assessment of this step may be only positive," Chernyshev said, adding that it is regrettable that the normalisation process was too long after the U.S.-Vietnamese war.

The Russian diplomat said "different syndromes of that war seemed to have prevented the Americans from a realistic view" of the relations with Vietnam, an important country in South-East Asia.

He voiced hope for "a normal, natural progress" of resolving problems in the American-Vietnamese relations, including the search for U.S. servicemen missing in the war and destruction and woes which it caused to Vietnam.

The situation in the region will benefit from the mended relations between the U.S. and Vietnam, another Foreign Ministry's official told ITAR-TASS.

He said an important factor in the regional situation would be the forthcoming joining of the Association of South East Asia Nations by Vietnam.

However, Chernyshev stressed that Washington and Hanoi must develop their relations without using them against third countries.

He said relations between Russia and Vietnam were making a good progress.

The two countries cooperate in many areas, he said.

Chernyshev added, however, that there is room for broader economic cooperation between Russia and Vietnam.

On Fishing Talks With Japan

*LD1107174795 Moscow ITAR-TASS in English
1702 GMT 11 Jul 95*

[By Vladimir Solntsev]

[FBIS Transcribed Text] MOSCOW, July 11 (ITAR-TASS) — The Russian Foreign Ministry refuted today claims that the Russian-Japanese negotiations on fishing cooperation off shore Southern Kurils have been broken without any prospects for resumption. A high-ranking ministry staffer told ITAR-TASS that the recent Japanese press reports to the effect "are incomprehensible inventions which have nothing to do with reality."

In his words, "the sides are getting ready for a regular round of the negotiations, whose time will be coordinated." The next round will be held as soon as the sides finalize their preparations, he added.

The talks were officially started in March 1995 a year and a half after the Russian side proposed a bilateral agreement to enable Japanese fishermen to go on legal fishing off shore Southern Kurils on a compensational basis. In the opinion of the Russian Foreign Ministry, an agreement would help to eliminate tension caused by poaching in the area where Japanese fishermen were repeatedly put under fire by Russian border guards.

Late in May the sides had the second round of negotiations. In the words of the ministry representative, the round was constructive, business-like and frank. The sides were striving for efficient results in the interests of goodneighbourliness.

Welcomes Burma Dissident's Release

*LD1107155295 Moscow ITAR-TASS World Service
in Russian 0943 GMT 11 Jul 95*

[By ITAR-TASS diplomatic correspondent Andrey Kirillov]

[FBIS Translated Excerpt] Moscow, 11 Jul (ITAR-TASS) — The release from house arrest of Aung San Suu Kyi, leader of the Myanmar opposition and Nobel

Peace Prize winner, was received with satisfaction in Russia. ITAR-TASS was told this at the Russian Federation Foreign Ministry today.

"Russia supports the line of the majority of the world's countries regarding the situation in the field of human rights and calls for the coordination of efforts of the world community in this direction," a spokesman of the foreign political department said. [passage omitted on Suu Kyi's release being unexpected, her biography]

On Afghan Help for Tajik Opposition

LD1107204795 Moscow ITAR-TASS World Service
in Russian 1353 GMT 11 Jul 95

[By ITAR-TASS diplomatic correspondent Yuriy Kozlov]

[FBIS Translated Excerpt] Moscow, 11 Jul (ITAR-TASS) — Russia is seriously concerned about the current regrouping of militants of the Islamic Rebirth of Tajikistan movement on the Darvaz section of the Tajik-Afghan border with the aim of infiltrating the mountainous regions of the republic, Foreign Ministry spokesman Grigoriy Karasin told a briefing today. [passage omitted saying Russians doubt the opposition's sincerity]

According to information, the official Kabul authorities give material and financial assistance to the armed formations of the Tajik opposition, the Foreign Ministry spokesman said. Kabul gives the militants an opportunity to deploy their bases and carrying out hostilities against the Russian border troops on the borders with Afghanistan.

Karasin stressed that Russia demands that the actions, which violate the inter-Tajik cease-fire agreement, be stopped. Russia expects the authorities in Afghanistan to stop being indulgent toward such actions and the UN observers to give a relevant assessments of such actions.

Kozyrev on UN Sanctions Against Iraq, Libya

LD1107135095 Moscow INTERFAX in English
1235 GMT 11 Jul 95

[FBIS Transcribed Text] MOSCOW, July 11 (INTERFAX) — Algeria's leadership guarantees the safety of Russians working in the North African country, Russian Foreign Minister Andrey Kozyrev said in summing up a meeting he had on Tuesday with his Algerian counterpart, Mohammed Salah Dembri.

Kozyrev said he and Dembri, who is at present on a visit to Moscow, had also discussed current U.N. sanctions against Iraq and Libya. "Those sanctions must not become an instrument for punishing peoples or

replacing regimes, regardless of whether such regimes are liked or not," the Russian minister said.

The sanctions must "strictly conform to the goals and reasons for which they have been imposed by the U.N. Security Council," he continued. "Otherwise they may have the opposite result. If people do not see any other way out, they will resort to extremism."

The Security Council should "persistently press for its demands to be satisfied, but in doing so it should go by the principle of taking gradual steps and not by the everything-or-nothing postulate."

Ministry on Abstention in FRY Sanctions Vote

MM1107124695 Moscow ROSSIYSKIYE VESTI
in Russian 11 Jul 95 p 1

[Unattributed report under the "Foreign Ministry Viewpoint" rubric: "Why We Abstained From the Vote"]

[FBIS Translated Text] Recently the UN Security Council adopted a decision to extend for a further 75 days the suspension of some of the sanctions against the Federal Republic of Yugoslavia (FRY). They were first imposed in fall last year by UN Security Council resolution 943.

The Foreign Ministry is compelled to state with profound concern that a number of provisions of the Security Council document do not accord with the present reality in Yugoslavia and furthermore run contrary to the Contact Group's agreed line of encouraging Belgrade's constructive approach.

The Russian representative abstained from the vote on the draft. In so doing he was compelled to take into account that the alternative course of action — voting against — would lead to the automatic reimposition of the full sanctions against the FRY, in other words, to the "punishment" of Belgrade.

The Foreign Ministry believes that some provisions of the document may be interpreted by the parties to the conflict in Bosnia as a show of "double standards" on the Security Council's part.

Russian Colonel in Bosnia Opposes Air Strikes

LD1107204095

[FBIS Editorial Report] Moscow NTV in Russian at 1800 GMT on 11 July carries a two and a half minute report by correspondent Vyacheslav Grunskiy for the "Segodnya" program on the NATO air strike against Bosnian Serb positions near Srebrenica on 11 July.

Grunskiy says that "UN officers believe that NATO aircraft should be used purely to help the blue helmets but in no way to help any side." Grunskiy then says

that Colonel Demurenko, Russian chief of staff of the Sarajevo peacekeeping sector, talked about this in an interview.

Colonel Demurenko is shown standing in front of a map. He says: "I think it is inexpedient to try to exert pressure on one side or another by using NATO aircraft. This question must be handled diplomatically and delicately because every time it puts the UNPROFOR [UN Protection Force] troops in a situation that does not meet the principle of impartiality [preceding word in English], that is, the principle of impartiality. Otherwise we will be partial."

Grunskiy continues: "Things indeed seem to look that way at present. UN observers in Srebrenica reported to the international command on 9 July that blue helmets coming out of the blockade came under fire from Muslims in the southern part of the town. The Muslims even threw a grenade into one of the UN vehicles. But this time the air strikes were made against the Serbs also, although, according to the most recent reports, information about the Serbs arresting 30 Dutch UN soldiers, which was probably decisive in beginning today's bombing, turned out to be false." [video shows two bombers taking off and landing, UN peacekeepers in former Yugoslavia]

Downed Helicopter Pilots Were 'Elite Test Pilots'

MM1107104495 Moscow IZVESTIYA in Russian
8 Jul 95 p 3

[Report by RIA-NOVOSTI correspondent Nikolay Pashkin specially for IZVESTIYA: "Our Country Lost Unequaled Pilots in Serbian Krajina"]

[FBIS Translated Text] Belgrade — On 7 July an Aeroflot aircraft carried to Moscow from Belgrade three zinc coffins containing the remains of the Russian helicopter crew shot down on the night of 27-28 May in Serbian Krajina.

The shooting down of the helicopter became known mainly because the Mi-8 was carrying Irfan Ljubijankic, the Bosnian Muslim Government's foreign minister, Menzur Shabulich [name as transliterated], adviser at the Bosnian Embassy in Zagreb, and several other high-ranking officials from the Muslim-Croatian federation who were also hurt. As for the crew, there was initially a report that the helicopter was being flown by Ukrainian pilots, but the Croatian side soon announced that they had all come to Zagreb from Russia and had been carrying out assignments for their Croat employers as freely hired specialists. Including carrying "special" passengers and cargo to neighboring territories.

According to the Krajina Serbs' version, a surface-to-air missile was fired after the crew failed to respond to repeated requests from the ground to identify itself. But, most probably, the Krajina special services and air defense systems were specially hunting the helicopter, knowing who would be on board. The nationality of the crew members did not concern them in this instance — after all, everything is written off in war.

It has long been no secret that Russian volunteers are participating (and, sadly, dying) in the Balkan war on the Serbian side, while people from Central Asia and the Transcaucasus are fighting on the Muslim side. But this was a special case. Because those killed were invaluable masters of their craft. They were part of the elite test pilots belonging to a leading Russian aircraft manufacturer, and there is hardly likely to be another five specialists who are their equal anywhere in the country.

Suffice it to say that the crew commander could fly all types of civil and military aircraft — both helicopters and aircraft; he had demonstrated our aircraft at the most prestigious international air shows. The second pilot also had a God-given talent. Colleagues who flew to Belgrade to identify the bodies handed over by the Krajina Serbs said that, whereas normally at least 20 flights are needed to practice landing with engines shut down, he needed just 10. The flight engineer (he was the oldest member of the crew and could already have been drawing his pension) knew the Mi-8 inside out. Training a single test pilot costs the state the equivalent of 70-80 kg of gold — in other words, the average weight of the pilot himself.

Of course, every individual is entitled to decide where and how to use their knowledge and skills, and what reward they consider commensurate with their qualifications. In a different era test pilots would have received what would then have been enormous amounts of money, would have traveled in "Volgas," and would have enjoyed society's concern and respect. But now they are having to spend every day thinking about how to feed their families.

Indeed, it could hardly be otherwise at a time when there are few orders for tests, and aircraft enterprises have been forced to produce iron bedsteads (the Rostov Helicopter Plant, for instance). So the motives which forced elite pilots to accept the Croats' offer and use their leave to go to Zagreb are understandable in human terms; they were dictated by a lack of demand for their talents in our country. In other words, it is a problem for all of us — and particularly in those areas which should receive special attention from the state. Whether the three men grasped the realities of the Balkan war

is another matter. Did they know that they would have to work under any conditions; that their Mi-8, which Croatia formerly bought from us, would have no armored cockpit, no protected fuel tanks, no chaff system, and not even any flak jackets for the crew? But everyone is the master of their own fate.

Now to turn to something else. The "firm" as is often the case in similar situations in Russia, could have fired all three men retrospectively so as to avoid unpleasant explanations and not sully its reputation. But, to its credit, this has not happened. Quite the opposite — the leadership found the money to bring the pilots' remains back to Moscow, and passed the hat round at aviation enterprises and among friends and colleagues. People even gave up their vacations to contribute to the fund for the bereaved.

It is too soon to be giving their names, since we do not know how those on whom the families' pensions depend will react to this tragic story.

NATO Ambassador Views Polish Stand on Organization

WSI207115695 Warsaw GAZETA WYBORCZA in Polish 11 Jul 95 pp 1,7

["Exclusive" interview with "Russian Ambassador to NATO" Vitaliy Churkin by Malgorzata Alterman; place and date not given: "Poland-Russia: Destined For Love"]

[FBIS Translated Text] [Alterman] Why does the Kremlin not want to see Poland in NATO?

[Churkin] If the borders of NATO neared Russia, the delicate European balance would be upset. After all, there are other organizations, for instance the NACC (North Atlantic Cooperation Council grouping NATO and former Warsaw Pact states — ed.), the UN, the Organization on Security and Cooperation in Europe [OSCE]... The sort of aggression that was typical 150 years ago is no longer possible.

[Alterman] For us, the war in Chechnya is an example of aggression.

[Churkin] Not many politicians in the West view the developments in Chechnya as an example of Russia's foreign aggression. One may even claim that Chechnya has caused many Russians to loathe war.

[Alterman] Approximately 75 percent of Poles want NATO membership, the main reason being the Russian threat.

[Churkin] Old insecurities and apprehensions die slowly. Is it not high time to forget about them? I feel there is fear in the East and the West, perhaps even in

Poland. Just like any other fears, it should be abated. Anti-Semitism, for example, is widely considered as something abominable, something civilized people should be ashamed of. Even if they feel anti-Semitic, they try to conceal it. We should thus look deeply into our conscience and ask: Could it be me?

[Alterman] Perhaps it would be easier for us if we felt more secure?

[Churkin] You keep stressing the importance of your relations with the United States. Yet America is far away. Is it reasonable to make enemies of a state that lies so close because of a reckless move, a state which, moreover, arouses your subconscious fears? And now that we stand a momentous chance of opening a new chapter in European history together?

[Alterman] In our history, the experiences we have with opening new chapters from the position of being a weaker partner are bitter.

[Churkin] You must not underestimate the position of your state. We are not talking about some small, backward nation. I understand your fears being rooted in the past. I do not believe, however, that any respectable analyst or politician could seriously claim that Russia poses a threat to you. For God's sake, we do not even share a border! Except for Kaliningrad, which is cut off from the rest of the country. Even if we did intend to attack Poland, it is difficult for me to imagine how we could do that. Even if we began deploying our forces tomorrow, it would take us years to pose a real threat to any foreign state... If, however, you need a larger sense of security, let us look at the problem together. Russia is willing to consider security guarantees for Poland.

[Alterman] We lived with your security guarantees for 45 years. We are still paying the price for that.

[Churkin] 45 years, do not exaggerate! I realize you might feel disenchanted with the Warsaw Pact. Yet you must not exaggerate. Over that period you were able to secure your current borders. That is why Poland should be interested in stability and Russia's guarantees of that stability.

[Alterman] Russia has signed the Partnership for Peace project. NATO has thus ceased to be an enemy. Why does the Kremlin not want to see Poland in NATO?

[Churkin] NATO is a progeny of the Cold War. It is, however, transforming itself. It must take care not to upset the delicate balance in Europe. Bringing this organization closer to the Russian border would imply that. We perceive NATO's willingness to cooperate with foreign states within the framework of the Partnership

for Peace as an opportunity to strengthen European security.

[Alterman] How far should NATO change? Should it be subject to the OSCE?

[Churkin] No, no. We have never wanted that. Cooperation, and not subjection, is the key. We do not want the Cold War to return.

[Alterman] Thus, NATO and Russia should play a distinctive role?

[Churkin] Nothing of the sort. There are other organizations, for example the NACC [North Atlantic Cooperation Council grouping all the NATO and former Warsaw Pact states — ed.]. In order to enforce joint operations, we would like to combine the NACC with the Partnership for Peace. We could thus establish a Euro-Atlantic council for partnership and cooperation. Besides, we have the OSCE, the UN.... Security, in the military sense, does not have the same meaning it once had. There are no enemies any more. Looking at modern-day Europe, the sort of attack that was possible 150 years ago is no longer imaginable.

[Alterman] You say there is no threat. To us, the war in Chechnya is an example of Russian aggression. We are viewing it with concern.

[Churkin] I meant an aggression in the old tradition, one that leads to wars. Of course, internal conflicts break out all the time: in Chechnya, in the former Yugoslavia.

[Alterman] Yet 75 percent of Poles want to be a part of NATO, and the main reason for that is a fear of Russia.

[Churkin] You say 75 percent... We have to respect that. We cannot treat Poland or any other Central and East European state as if it were second-rate, suspended between NATO and Russia. That would be a tragic mistake. I can, however, give you different statistical data. I believe as many as 95 or 99 percent of our citizens claim having the borders of NATO close to ours would be very bad for Russia. Several weeks ago, former Ambassador to Washington Vladimir Lukin, currently one of the leaders of the Yabloko, a liberal faction of the Duma, wrote an article in which he claims that the expansion of NATO would be perceived as treason in every Russian city and village. I wish to ask you to respect that as well. Maintaining good relations between our two states may well prove a major political challenge. Developing good relations, eradicating phobias and mental roadblocks will do much more for security than any of the initiatives you are thinking of.

[Alterman] Poland has approached Russia with a proposal of military cooperation within the frameworks of

the Partnership for Peace project. Is this not a good sign of our intentions?

[Churkin] Yes. That is a good sign. Poland cannot fly with one wing only. You need two wings to have aerodynamic balance.

[Alterman] The individual project of military cooperation which Russia has presented to NATO is very feeble. Are you more interested in cooperating in the field of politics?

[Churkin] We have certain pecuniary limitations. The attention of our military experts and all our resources are currently focused on Chechnya. I am convinced we will develop military cooperation with NATO. Russia is and will continue to take part in peace operations.

[Alterman] Early next week, NATO is to start talks with Russia on "special relations." One of the topics on the agenda will be the acceptance of new members, including Poland, into NATO. Will you talk about that?

[Churkin] We have to.

[Alterman] With time, will you become accustomed to the idea of NATO expansion?

[Churkin] I think it is a bad idea, and that is final. It is enough that because of this whole debate on NATO expansion we now have problems in ratifying the START agreement on the reduction of nuclear arms.

[Alterman] Is that a prerequisite?

[Churkin] No. It is a political fact. What will happen in Russia when NATO accepts new members? The treaties on the reduction of conventional arms (Conventional Armed Forces in Europe) and nuclear arms might just as well be buried.

IAEA's Hans Blix Tours Nuclear Facilities

MM1207080195 Moscow KOMSOMOLSKAYA
PRAVDA (Business Tuesday Section) in Russian
11 Jul 95 p 2

[Report by Aleksey Chukurov: "Head of IAEA Did Not Stint on Compliments to Our Nuclear Specialists and Scientists at Physics Institute"]

[FBIS Translated Text] IAEA [International Atomic Energy Agency] Secretary General Hans Blix visited our country last week. It transpires that new methods of monitoring the security of nuclear installations and nuclear weapons nonproliferation will now be employed within the IAEA framework. Russia has already assimilated the technology for this kind of monitoring and therefore during Blix's talks with Viktor Mikhaylov, head of the Ministry of Atomic Energy, they primarily

discussed the possibilities of the IAEA's using Russian personnel and equipment. However, Blix himself did not remain in our debt. In the light of the backdrop of the international charges of squandering nuclear materials and technologies the IAEA secretary general secretary's speeches sounded extremely complimentary to Russian nuclear power specialists' ears.

Blix then went on to the well-known Arzamas-16, since the secretary general had never before been to the place where Russia's nuclear specialists are forged.

The next item on the chief nuclear specialist's schedule was another valuable part of the Russian nuclear chain — Obninsk near Moscow. In the city the secretary general showed an interest in the elite Physics Institute. There the illustrious guest was told about and shown things that were once our main state secrets — the developments on "mixed fuel" problems and experimental "laser power" units.

South African Defense Minister Continues Visit

LD1107195395 Moscow *ITAR-TASS in English*
1619 GMT 11 Jul 95

[By Sergey Ostanin]

[FBIS Transcribed Text] MOSCOW, July 11 (ITAR-TASS) — Russia and the Republic of South Africa have hopeful prospects for military and technical cooperation. This was stated today at a meeting of representatives of the Russian state company "Rosvooruzheniye" and the State Committee for defense industry with Joe Modise, South African Defense Minister, currently on an official visit to Russia.

The prospects for cooperation of the two countries in the military field were discussed just "in general", spokesmen for the press services of the "Rosvooruzheniye" and the State Committee for the Defence Industry told Itar-Tass today.

However, the Russian military have quite concrete expectations from the visit of the South African minister. Both sides plan to sign an agreement on military and technical cooperation between the defence ministries of the two countries on Friday, July 14.

This agreement envisages specifically a regular exchange of visits of military delegations, units of the Air Forces and the Land troops, as well as calls of warships.

The list of planned events also include organising joint military exercises and training national cadres for the South African army in Russian military colleges, an exchange of information and views on problems of international security and stability, and the establishment of

regular contacts between the General Staffs of the two countries.

At a meeting with the South African minister on Monday, Russian Defence Minister, General of the Army Pavel Grachev, expressed readiness to show him samples of the Russian hardware and weapons, acquaint him with heads of a number of Russian defense enterprises which was also included in the program of the visit.

The interest of South African Defense minister Joe Modise in the Russian military hardware is not accidental. In the sixties he received military training in Czechoslovakia and the Soviet Union as a head of combat groups of the African National Congress of South Africa, and in the eighties visited Moscow twice as the head of the Military committee of this organisation.

Army Daily Assesses PRC Missile Forces' Role

MM1107140895 Moscow *KRASNAYA ZVEZDA*
in Russian 11 Jul 95 p 3

[Article by Professor Viktor Stefashin of the Russian Federation Academy of Military Sciences: "Nuclear Strategy in China's National Security"]

[FBIS Translated Text] China's nuclear weapons test came literally right after the countries that possess nuclear weapons pledged to conclude an agreement on the total banning of these tests. The fact that China made this move is evidence of the role that Beijing gives to nuclear weapons in ensuring its national security.

Analysis of the PRC military-political leadership's views of the problems of war and peace, national military organizational development, and the measures implemented (and planned) by the Chinese People's Liberation Army (PLA) strategic nuclear forces (SNF) reveals that present-day Chinese nuclear strategy is characterized by the following two ideas. In peacetime the idea is to deter potential adversaries from unleashing war against China and to ensure an independent foreign policy. And in wartime to prevent a conventional war from developing into nuclear war. These military-political objectives can only be attained if the SNF successfully perform their strategic mission of "detering" nuclear powers and "intimidating" other potential adversaries and, in the event of hostilities, inflicting unacceptable damage on their economy and military potential. With limited nuclear potential this is only possible with the constant qualitative development of these weapons, thus guaranteeing their survivability for retaliation in any military conflict scenarios. That is why the PRC is continuing its nuclear tests.

The Chinese military press reports that the PRC's definitive renunciation of attempts to secure nuclear parity with the United States and the Russian Federation was expressed in the doctrinal concept adopted in the eighties of the "limited retaliatory nuclear strike," which confirmed the organizational development of compact SNF. This concept not only takes into consideration the country's limited economic and financial resources but is also based on the premise that the United States and the Russian Federation will also carry on modernizing existing or deploying new defensive systems, which may in practice completely neutralize any reasonably possible increase in China's extremely vulnerable strategic nuclear weapons. Calculations demonstrate that Chinese nuclear delivery vehicles are incapable of surmounting future antimissile defense and ABM systems and consequently in the near future will lose their "deterrent" effect for the United States and cease to be a guarantor of noninterference in PRC internal affairs. That is one of the main potential military threats to China at global level that it has to eliminate this century. This was what Chinese military theoretician Song Zhong-yu said at a scientific and practical conference this April.

After Deng Xiaoping's well-known statement at an enlarged session of the Chinese Communist Party Central Committee Military Council (1985) that it was unlikely that a large-scale (world) war would be unleashed, Chinese military science switched its main attention to the theory of preparing for and waging local wars. Chinese specialists were faced with the problem of actively realizing the potential of strategic missiles in this type of war. They propose resolving this problem by developing warheads with a charge made of conventional high-energy explosive. Following in-depth analysis of the experience of the Gulf War, the foreign press reports that Chinese strategists drew conclusions regarding the admissibility of using nonnuclear missiles against nuclear-free states. It is thought that launching nonnuclear strategic missiles will not only have a damaging effect on highly important administrative-political, economic, and military targets but will also warn of the possible escalation of the conflict to involve a nuclear attack. Chinese theoreticians believe that this kind of warning — the threat of the use of the nuclear forces — can be used to secure an enemy's surrender before it can exploit its full potential for opposing Chinese forces.

Over the last few years the foreign press reports that there have also been changes of views regarding the procedure for China's use of nuclear weapons. It is a question of the possibility of these weapons being used first by the PRC, but on its own territory, notably if it is occupied by an aggressor. In Chinese analysts' opinion, these actions will not constitute a violation of

China's well-known pledge not to be the first to use nuclear weapons, since it is said only to presuppose the renunciation of a first nuclear strike on enemy territory. It is therefore thought that this use of nuclear potential should not provoke a retaliatory nuclear strike against China. As we see it, China might carry out a nuclear strike in that case in an emergency such as an abortive border battle and the ensuing threat of the total defeat of the PLA's main groupings; the loss of a considerable proportion of the country's territory containing the most strategically important administrative-political centers and economic areas for the outcome of the war; a real threat of the destruction of the SNF by conventional weapons, etc.

With regard to the Chinese leadership's attitude to the most important global problem — missile technology nonproliferation — I must point out that it does not recognize any international restrictions on delivery vehicles. Beijing believes that the central aspect in this sphere should be a campaign against the proliferation not of delivery vehicles but of warheads [boyezaryady], not of conventional but only of nuclear, chemical, and biological warheads, moreover. These official PRC views also form the basis of military-technical export policy, which enables missile technology to be sold to any country. Which is what it has already done by selling missiles to Saudi Arabia, Pakistan, and probably to Syria, Iran, and other states. Admittedly, in late 1994 in exchange for the lifting of the trade and economic restrictions Beijing did make a pledge to the United States to monitor missile technologies. However, when Washington recently allowed the Taiwan president to pay a private visit to the United States China retaliated by talking about the possibility of continuing missile exports.

Thus the Chinese leadership regards the SNF as one of the main factors ensuring the PRC's assertion as an autonomous world center of power. The national nuclear potential is considered a highly important instrument for conducting foreign policy and an effective means of protecting the country.

Accord Reached With ROK on Partial Debt Settlement

MM1107122095 Moscow ROSSIYSKAYA GAZETA in Russian 11 Jul 95 First Edition p 1

[ROSSIYSKAYA GAZETA/ITAR-TASS column report: "Talks In Seoul"]

[FBIS Translated Text] An agreement between the governments of the Russian Federation and Republic of Korea [ROK] on settling part of the Foreign Economic Bank's debt was signed in Seoul by Oleg Davydov,

deputy chairman of the Russian Federation Government, and Hong Chae-hyong, deputy prime minister of the ROK.

The agreement envisages settlement of part of the debt. The decision on deliveries of products as payment of the debt was made by Russian President Boris Yeltsin and ROK President Kim Yong-sam at the summit talks in Moscow in June 1994, the deputy head of the Russian Government said.

Ukrainian Cabinet Reshuffle Termed 'Minor Revamping'

MM1107154395 Moscow KRSNAYA ZVEZDA
in Russian 8 Jul 95 p 2

[Report by Grigoriy Nesmyanovich and Anatoliy Polyakov: "Leonid Kuchma Has Chosen His Cabinet: Is Ukraine's New Government the Far-From-Forgotten Old One?"]

[FBIS Translated Text] Kiev — The following question involuntarily comes to mind: If, in the president's opinion, recent times have seen a strengthening of the karbovanets, a decline in the rate of inflation, and a growth in output why was it necessary, then, to pension off the government? Two further more prickly questions follow on from this: Who will replace the old government and where will the authoritative economists, financiers, and politicians who only yesterday ardently supported the president's reform program and who are now unemployed go?

And today it can be said that the answers to those questions have been given and our misgivings borne out. We can honestly exclaim: Hey, all these faces are familiar! A minor revamping of personnel has taken place. The sideways movement of Internal Affairs Minister Volodymyr Radchenko to the post of head of the Ukrainian Security Service and the taking away of the vice premiership from Defense Minister Valeriy Shmarov are noteworthy. According to Leonid Kuchma, certain redeployments in the power ministries are aimed at improving the coordination of their action and stepping up the fight against organized crime. That may indeed be the plan, but it was no accident that Valeriy Shmarov had remained vice premier. He thought it would be easier that way to defend the army's interests in the government. The minister has now had the vice premiership taken away from him, which will undoubtedly reduce his clout in cabinet and make the army more vulnerable.

The new cabinet should be distinct from its predecessor by virtue of greater executive discipline and manageability, in the opinion of National Security Council Secretary Volodymyr Gorbulin. He is most likely

thinking of Premier Yevgeniy Marchuk's closeness to the president and his exactingness as former head of the security service. Leonid Kuchma has remarked that the new cabinet's efforts will be aimed at boosting output and structurally reorganizing the economy. While the former economics minister and current vice premier for economic questions Roman Shpekha will be responsible for reforms. The president has described the political stabilization of society as the sine qua non of economic reforms.

Where the new cabinet expects to run into difficulties is that the struggle between the national democrats and communists and the socialists is not only showing no signs of abating, but is, on the contrary, hotting up. This is clear from the way they have reacted to the new cabinet. Vyacheslav Chornovil is ready to support it but has reserved Rukh's right to cooperate only if the government is geared toward reforms in a skillful and state-minded way.

Speaking about the new government, Socialist leader Natalya Vytrenko considers that it will continue the course of the previous "reforms," which have denied millions of people a decent life, and that the crisis in Ukraine will therefore deepen.

The whole of this procedure involving the removal of the old cabinet and now the appointment of the new one makes one think that the routine policy of moving people around in the guise of concessions to the opposition and a search for compromise and the preservation of some kind of integrated reform strategy persists in Ukraine's top echelons of power. Despite the constitutional agreement reached between the president and parliament, the old misunderstanding and mistrust between the two branches of power live on.

Repayment of Debts to Georgia Postponed

MM1107153795 Moscow RABOCHAYA TRIBUNA
in Russian 11 Jul 95 p 2

[Report by Amiran Mgeladze: "Debt Repayment Postponed for Three Years"]

[FBIS Translated Text] The problem of restructuring the Russian Federation's debts has been successfully resolved. During a meeting between a Georgian delegation and Aleksey Bolshakov, Russian vice premier for CIS affairs, and other government members agreement was reached to defer payments for three years. Until then only a percentage of the debt-servicing amount will be paid.

The IMF had insisted on a solution to the debt restructuring problem, making this its main condition for giving Georgia loans.

Political Issues

Further Reportage on Yeltsin Stay in Hospital

Yeltsin Diagnosed With Ischemia

LD1107165495 Moscow INTERFAX in English
1537 GMT 11 Jul 95

[From the "Presidential Bulletin" feature: No. 129 (873); Compiled by Nikolay Zherebtsov and Andrey Petrovskiy; edited by Vladimir Shishlin]

[FBIS Transcribed Text] Moscow, 11 July (INTERFAX) — President Yeltsin was admitted to the Central Clinical Hospital on July 11 because of the acute heart ischemia.

As the presidential press service has reported to INTERFAX, Yeltsin is undergoing medical examination and treatment.

President Boris Yeltsin's condition has improved significantly since he was taken to the hospital on Tuesday due to a new attack of ischemia, Yeltsin's press office said in a statement, citing medical reports.

The statement says the pain Yeltsin suffered has been alleviated and his heart is working as normal. The president is active, no longer bed-ridden and there has been no recurrence of pain in the last few hours, according to the statement.

Physicians say Yeltsin will have to stay at the central hospital in Moscow for the next few days, according to the press office.

It says the president is in charge and his itinerary for next week remains unchanged.

The results coming back on President Boris Yeltsin's initial medical tests raise hopes that his condition is not serious, well-informed medical sources told INTERFAX on Tuesday.

They say no surgery is needed for patients suffering from ischemia unless other organs are affected.

Although President Yeltsin has an aggravated form of heart ischemia, doctors are quite optimistic about his condition.

"The first checks raise hopes that no surgery will be required which means the fit can be alleviated within days", the sources said.

President Yeltsin is fully conscious, an INTERFAX correspondent was told at the Central Clinical Hospital's Cardiology Ward where he was taken on Tuesday morning.

In the meantime, Kremlin sources said that no changes are expected in Yeltsin's itinerary, including a visit to Norway and a trip to the northern city of Murmansk on July 19-21.

Medical sources reminded that the president had earlier suffered from "signs of vegetative-vascular dystonia of the hyper-tension type." There had also been fluctuations in pressure in the arteries, which doctors had managed to control with medication. At the same time President Yeltsin's doctors have always said that the president's health does not interfere with his capacity to work or for physical exertion at the appropriate level for his age.

IF Note: The Central Clinical Hospital was founded about three decades ago as a basic comprehensive medical establishment under the USSR Health Ministry. It served only the political and government elite of the former USSR and their families.

The hospital has unique medical equipment and highly-skilled personnel and specialists. In recent years the hospital changed its policy and now serves other clients in addition to Russia's political elite.

The hospital is situated in a park in the outskirts of Moscow.

Lack of Information Noted

LD1107222695

[FBIS Editorial Report] Moscow Russian Public Television First Channel Network in Russian at 1930 GMT on 11 July carries the "Versions" program hosted by Sergey Dorenko.

Dorenko greets the viewers and says: "President Yeltsin is up and about today after his illness. This is the first time the president's illness has caused such serious agitation in the Kremlin. Almost all of the important officials shuttled between the Kremlin and the Kremlin hospital but refused to talk in front of the cameras about what they saw there." [Short video clip shows cars pulling up to the hospital; guards; and Yeltsin's aide Ilyushin answering the phone in an office]

Dorenko then says: "We also needed evidence today from a person who had seen the president after the pains caused by the ischemic bout were relieved, but we have not found such a person. We do not know how long the bout lasted. We only know that three hours passed from the time the information that the bout had begun was released and the president was admitted to hospital to the time the information was released that the pain had been alleviated. Any patient with ischaemic problems will tell you that if it is an ordinary pain and not a serious aggravation, it takes only 10 minutes or so

and just one tablet of nitroglycerine. Yeltsin's diseases have always caused great anxiety internationally. In a troubled country like ours, and a nuclear one into the bargain, the president's illness can mean something unpredictable, and that is almost always dangerous." [video of Yeltsin's stay in a Barcelona hospital five years ago is shown, with Dorenko recalling the case history]

Dorenko says that many rumors have been circulating for a number of years with regard to Yeltsin's health, but nothing was confirmed. Dorenko says: "The Americans have worked out a new computer diagnosis technique based on appearance and speech deficiency, but their diagnosis could not be confirmed either. Under the existing secrecy one cannot even speak about openness in informing people of the condition of the person on whom we all are dependent. Lack of openness has been previously explained by the semi-military atmosphere of the domestic political situation. Lack of detailed information today can mean that the announced stability has not come yet. However, Yeltsin himself probably does not know that his health is a state secret. A little more that a year ago he suggested that journalists should go with him for a public checkup. Of course this was turned into a joke." Dorenko says that other countries do not hide their leaders' illnesses, citing France and Spain as examples.

Dorenko notes that the state of the prime minister's health is also a secret. He recalls rumors saying that Chernomyrdin had a heart attack two years ago but that no one could learn the truth. Dorenko then introduces a clip of cardiology expert Aleksey Yurenev, who explains what ischemic disease means. Dorenko says that the physician did not even know about Yeltsin's illness at the time of filming the footage and that the state security people should be informed and aware of this. Dorenko says he was unable to contact Yeltsin's doctor. Dorenko criticizes the Kremlin hospital staff, saying that when Yeltsin aide Georgiy Satarov went to the Kremlin hospital for treatment of a minor disease last autumn he contracted septicemia because the staff used unsterilized tools.

Illness Seen Boosting 'Tensions'

*MK1207085495 Moscow KOMMERSANT-DAILY
in Russian 12 Jul 95 p 1*

[Report by Veronika Kutsyllo under the "Presidential Health" rubric: "Premier May Suffer From Presidential Illness"]

[FBIS Translated Text] Boris Yeltsin's health has long become a matter of concern not only for the Russian people, but for the rest of the world as well. For this

reason a report about yet another hospitalization of the Russian president has initially plunged the public into a fully predictable shock: Did something that has so long been expected by everybody — with terror or with glee — finally happen? The shock was particularly strong in the Kremlin, from which it was absolutely impossible to obtain any comments whatsoever in the morning. And only once it became clear that the august patient of the Central Clinical Hospital, who was suffering from acute ischemia, is "in full consciousness" and even "displays activity," the tension subsided. How heightened it was can be judged from the nervous attack by Yeltsin's first aide, Viktor Ilyushin, on those "hastily" and "incorrectly" citing "constitutional articles on who should stand in for the president during his illness." Veronika Kutsyllo comments:

Talk that Yeltsin suffers from heart problems has been heard several times: In April 1990 he was hospitalized during his visit to Spain with a suspected heart attack. The president also had heart pains in September 1991 and April 1995. Yeltsin complained to TIME magazine about blood pressure fluctuations.

Politicians are third on the list of persons suffering from coronary insufficiency after air-traffic controllers and professional drivers. Hypodynamia and stresses contribute to the development of the disease. But Boris Yeltsin's illnesses have so many times coincided with difficult political processes and major holidays that people in Russia (and to an even greater extent abroad) have long stopped perceiving them as just illnesses. Observers are inclined to see political motives or reasons purely Russian in nature behind each presidential sickness.

Usually recalled as the most graphic example of Yeltsin's "political" sickness is surgery on his nose last December just on the eve of the introduction of troops in Chechnya. Particularly loud speculation about the second type of disease has mounted after Boris Yeltsin's famous sleep at Shannon Airport.

There are no visible political reasons for yesterday's hospitalization, however. The government is for the most part rescued, the Duma did not have to be disbanded either, while talks in Chechnya are clearly too trifling a matter for a sudden complication to develop. This is apparently the reason why many Western observers are leaning toward the second theory, all the more so because the day before Yeltsin celebrated his personal holiday — the fourth anniversary of his inauguration. The promised pace of recovery also gives rise to reflection: While after the "Chechen" operation Yeltsin had to spend 10 days in the hospital and a few

more days at his residence, the doctors say that this time he will recover much sooner from the heart attack.

Yet active attempts to convince everybody of the seriousness of Yeltsin's illness can be attributed precisely to pure politics. For it is not so much the illness itself that matters, but rather what follows from it. The first consequence is that the heightening of tensions between the Kremlin and Krasnaya Presnya Quay has become evident. It is an open secret for everybody that for all its outward sympathy, Yeltsin's entourage in the Kremlin is jealously eying the premier's latest successes. Ilyushin's reproach to anonymous politicians who recall constitutional articles out of place looks remarkably revealing: Among Russian officials only Viktor Konnov, the premier's press secretary, spoke about the Constitution yesterday. What he was saying was absolutely innocuous, though: "The Constitution does call for the transfer of presidential powers to the prime minister, but this is not the case when the head of state is unable to perform his duties." But still he said it! Hence, dared to give thought...

How Yeltsin himself reacted to such thoughts is unknown. But it may well turn out that while it is Yeltsin who is sick, it is Chernomyrdin who will have to swallow pills.

Constitutional Court Examines 'Chechen Case'

Shakhray Views Operations

LD1107122295 Moscow ITAR-TASS in English
1058 GMT 11 Jul 95

[By Igor Belskiy]

[FBIS Transcribed Text] MOSCOW, July 11 (ITAR-TASS) — Russian Vice Premier Sergey Shakhray has described the Russian military measures against Chechnya as "adequate". Replying to a question put to him today by one of the judges of the Russian Constitutional Court, which is examining the "Chechen case", he noted that they corresponded with the threat which Chechnya had posed to the country's security. Shakhray referred in this connection to an order to bomb Russian cities, signed by Dudayev at the end of September 1994.

Shakhray admitted that some consequences of the military operation were excessive, mainly because the men responsible for its implementation lacked the necessary professionalism. He said that 286 criminal proceedings were instituted in connection with various offences, some of which were committed by federal servicemen.

Touching on the period before the outbreak of the military crisis in Chechnya, the Vice Premier said that the federal authorities had not imposed an economic

blockade on Chechnya after the so-called proclamation of its "independence". He noted that direct barter trade continued with the neighbouring territories of Russia throughout those years: gasoline from Chechen refineries was used for field work in Stavropol Territory. Shakhray also pointed out that Dagestan petroleum was refined at Chechen plants. Crude oil was brought to Grozny, because Dagestan has no refineries of its own.

Shakhray told the court that Russia could hardly be regarded as a contractual state from the juridical point of view even though it has a Federal Treaty. In his opinion, the Treaty was more of a political nature. Russia's political pattern was completed, he stressed, only by the adoption of the 1993 Russian Constitution.

More on Shakhray Testimony

MM1207110995 Moscow IZVESTIYA in Russian
12 Jul 95 p 2

[Report by Valeriy Rudnev: "Hearings Into the 'Chechnya Case': Both Sides Cite the Same Laws But Draw Exactly the Opposite Conclusions"]

[FBIS Translated Text] The second day of the court hearings into the so-called "Chechnya case" in the Russian Constitutional Court continued where proceedings broke off the day before — with the parties' questions to Sergey Shakhray, vice premier of the Russian Government.

Not only the parties, but the judges also put questions. The next stage of the proceedings is the appearance of specialists and experts. At the moment, appearances are scheduled by Marshal Viktor Kulikov and the military lawyers General Anatoliy Maydykov and Colonel Yuriy Kazanchev. In addition, appearances are planned by Doki Zavgayev (on the political system of the Chechen Republic) and by Sergey Kovalev (on events in Chechnya and human rights). The subject of the expert findings by Justice Minister Valentin Kovalev has yet to be indicated.

As for the parties to the legal dispute — parliament versus the president and government — they were able to express their positions on the first day of the court proceedings. The Federation Council's arguments were set forth by Issa Kostoyev, chairman of the Constitutional Legislation Committee. If you set aside his emotional assessments and well-known facts and translate the legal formulas into ordinary language, his criticism of presidential and governmental normative acts boils down to two points. First, the army should not be used to resolve internal political problems; Russia's Armed Forces are intended only to rebuff foreign aggression. Second, the state of emergency that

was imposed, in effect, in Chechnya is possible only given the observance of a number of conditions: a public announcement rather than a secret presidential decree; notification of the imposition of a state of emergency to both chambers of the Federal Assembly; listing of restrictions on civil liberties and the duration of the said restrictions. The president and government ignored these conditions.

The speech by the State Duma representative, Deputy Yuriy Kalmykov, ex-minister of justice and a doctor of juridical sciences, was fairly dry. He gave a systematic analysis of existing legislation, pointing out that if we are to start filling gaps in the law with arbitrary decisions based on political expediency, then that is the end of the building of a rule-of-law state. Citing the Russian Constitution and the laws "On Defense" and "On the State of Emergency," he drew the conclusion that the possibility of using the Armed Forces to resolve internal problems is currently provided for in our country only in the case of natural disasters, epidemics, epizootics, and major accidents.

Government Vice Premier Sergey Shakhray spoke for 1 hour 35 minutes without interruption. He set forth the crux of the question in great detail, touching on the political, economic, and legal conditions that not only enabled Dzhokhar Dudayev's regime to take root, but ultimately turned the Chechen Republic into a zone threatening Russia's national security and integrity. As the vice premier put it, it was only after all possible measures to return Chechnya peacefully to the constitutional fold had been exhausted that the president was obliged to use force. The commander in chief of the Armed Forces had not only the right, but the duty to do this, S. Shakhray noted.

In support of his conclusions S. Shakhray cited the country's Constitution and the laws on defense, security, military duty, and the status of servicemen. Concerning one of the points in the Law "On Defense" which the parliamentary side has cited, according to the vice premier that point is contrary to the country's Constitution. As for the Law "On the State of Emergency," that was adopted back in 1991 in the days of the USSR, and therefore it is not in accordance with present-day realities.

The impression is beginning to emerge that despite the seriousness of the question under discussion, everything boils down to the everyday Russian truth: There is the Constitution, which refers us to the laws; there are the laws, which contradict each other; and then there is life, which at the moment does not fit in with the Constitution and the laws at all.

Use of Troops in Chechnya Addressed

*LD1107201395 Moscow ITAR-TASS in English
1658 GMT 11 Jul 95*

[FBIS Transcribed Text] MOSCOW, July 11 (ITAR-TASS) — Almost all specialists who addressed the Russian Constitutional Court today said that the use of troops in the Chechen operation was grounded.

Russian Justice Minister Valentin Kovalev noted he does not doubt good reasons for the presidential actions. In his words, if the President did not fulfill his constitutional duty to protect the state interests in late November-early December 1994, the question of his violation of the Constitution could have been raised.

A legal analysis of the documents considered by the Constitutional Court gives grounds to say that the presidential decrees and the government resolution which approved of troops' introduction in Chechnya "do not have provisions that violate the Russian legal norms," said Kovalev. The practical use of these documents is a different thing. In the opinion of the minister, the damage done by the use of troops to settle the Chechen crisis is not the use of legitimate measures to stop the activities of Dudayev units but a consequence of counter-action to these measures.

As for observation of human rights, under the law they can be limited, said Kovalev. Rights and freedoms of citizens must not be violated, but this is what it was in the Dudayev time in Chechnya. Both the social sphere and the legal system of the republic were ruined, he added.

PRAVDA Views First Day of Hearings

*MM1107152095 Moscow PRAVDA in Russian
11 Jul 95 pp 1-2*

[Report by Viktor Trushkov: "Oh, These Moirai... The Russian Federation Constitutional Court Has Begun Hearings on the Constitutionality of the Presidential Edicts on Chechnya Exactly on the Fourth Anniversary of B. Yeltsin's Accession to the Presidency"]

[FBIS Translated Text] On 10 July the Constitutional Court became probably the chief political center of gravity in the capital. It commenced the hearings relating to questions from the State Duma and the Federation Council casting doubt on the constitutionality of three presidential edicts and one government decree. These documents from the central authorities are united by one thing — they triggered the military operations in Chechnya, which entailed great bloodshed.

The very date of the start of the Constitutional Court hearing on the question of the presidential actions'

constitutionality is profoundly symbolic. Exactly four years ago, also 10 July, B. Yeltsin took this oath on taking up his post: "I swear that I will abide by the Constitution and the laws of the RSFSR in exercising the powers of president of the RSFSR...."

I put the same question to several Constitutional Court judges:

"Does the choice of date for the start of the hearings mark congratulations on the president's fourth anniversary on the part of the Constitutional Court?"

They all refuted that assumption. Some referred to the sequence of cases, others to the approaching vacations, and yet others simply to its being Monday. In general, they agreed that the court had nothing to do with the matter and that these were intrigues by the Moirai, the goddesses of presidential fate....

Meanwhile, the plaintiffs' very first statement was devoted to a study of all four years of the Kremlin dwellers' nationalities policy. Speaking on behalf of the Federation Council, Deputy I. Kostoyev recalled the intensified tug-of-war between the Union rulers and the Russian rulers before the election of the Russian Federation president. He did not overlook Yeltsin's axiomatic appeal: "Take as much sovereignty as you can swallow." He recalled the post-August euphoria of the victors, who left behind enough weapons in Chechnya to arm an average European state superbly. The deputy perceived a direct link between the conflict that was provoked between Ossetia and Ingushetia and the Kremlin's policy toward Dudayev....

The infringements of human rights proved so flagrant that, even if a state of emergency had been imposed, the Constitution's norms would have still been violated.

In general, all the facts led Kostoyev to this conclusion: "Great Russia has been fighting its own people for over seven months." No, he was not trying to defend the Dudayev regime, but he constantly emphasized the anticonstitutional nature of the Kremlin's actions. The claim that the authorities' whole series of decisions on military operations in the North Caucasus started with the presidential edict of 30 November 1994 "On Measures To Restore Constitutional Legality and Law and Order on the Territory of the Chechen Republic" sounded very convincing. This document, which set the human meat grinder in motion, has a noteworthy number — 1237 S. This little letter means that it is secret, not for publication. But the Russian Federation Constitution provides that unpublished edicts are not liable to be fulfilled.

Not that this is the only violation of the Constitution and other federal laws. After Kostoyev another representa-

tive of the upper chamber — G. Yakovlev — also spoke of this. The same topic was continued in a well-reasoned manner by State Duma Deputy Yu. Kalmykov.... Incidentally, Vice Premier S. Shakhray, who is accustomed to the court chambers of the Constitutional Court, and Presidential Aide Yu. Baturin are acting as the representatives of the president and the government at the trial.

Not only the date of the start of the trial on the constitutionality of Yeltsin's edicts but also the fact that the hearings coincide with the start of the procedure for impeaching the president in the State Duma is revealing. Alas, the Constitution's violation by Russia's top official long ago ceased to be a sensation. Moreover, it is starting to become the norm.

On the eve of the start of the Constitutional Court hearings the president's fourth anniversary was also marked in a distinctive way in the Public Russian Television program "One on One." It was devoted to the connection between the trial in the Constitutional Court and impeachment. But something else is interesting: All the participants in the broadcast agreed that the constitutional procedure of dismissing Yeltsin could well end in a quite unconstitutional tank battle. This was reiterated three times by A. Lyubimov, the television moderator. State Duma Deputy Yu. Ivanov (Communist Party of the Russian Federation faction) was obliged to agree with him. Presidential Aide G. Satarov did not object to them, acknowledging that "an opportunity to reproduce once again that action of the fall of 1993 is appearing."

Let us return, however, to the Constitutional Court room. Strictly legal assessments of the documents which brought tragedy upon the whole country have, by the will of events, been woven right from the start into the tangled knot of political processes. In the view of the Federation Council's representative, the Constitutional Court is faced with a choice between the force of right and the right of force. But the court itself is also feeling the impact of a power which is accustomed to force. Deputy G. Karelin, the State Duma's representative at the trial, protested at the television statements by S. Filatov and Shakhray, who maintained that an urgent decision is required from the Constitutional Court, so as not to hinder the talks in Grozny. The deputy regarded that propaganda as psychological pressure on the court.

The Constitutional Court is at work again today. The sides will continue exchanging legal barbs, weighing the edicts' paragraphs in the scales of Themis, which have been borrowed for a while. But will they really pretend that the Constitution holds sway in the country? Any

law does not befit the present dwellers in the Kremlin: It squeezes and hampers them.

Kremlin-Parliament Standoff Over Elections Viewed

MM1107153695 Moscow PRAVDA in Russian
8 Jul 95 p 1

[Report by Viktor Trushkov: "But the Demagogues Preferred To Cast Lots. Law on Federation Council Elections Met With Hostility in Kremlin"]

[FBIS Translated Text] If your man cannot be elected then he must be appointed. This brilliant discovery, which was tested out on the general prosecutor, may now become common practice. The first casualty of the widescale introduction of this innovation was the Kremlin's appointment of the Federal Assembly's upper chamber. High-ranking statesmen keep asserting that any Federation Council elections would be unconstitutional. True, the State Duma simply cannot understand this. You see, it stipulated an archaic method of forming it in the recently adopted law on electing the upper chamber — a nationwide vote. The president reacted immediately: He disagreed. In doing so he made reference to the Fundamental Law.

Let us also look at the Constitution. Let us begin with basics. Article 95 says that the Federation Council is one of parliament's chambers. But its composition is in some respects predetermined: There should be one representative of the executive and representative branches of power of each Federation component. The law proposes that the regional Duma (Legislative Assembly, Supreme Soviet...) and administration nominate their candidates, and that the people determine the winners from each of the two lists in elections. The Kremlin is insisting on the automatic inclusion of governors (presidents) and chairmen of local dumas in the upper chamber.

The democrats have always insisted that parliament should be a professional body. Both of its chambers. Section 2 of the Constitution makes the special stipulation that "deputies of the Federation Council of the first convocation exercise their powers on a nonpermanent basis." It emerges that the situation should change from the second convocation.

There is a strong hint about the necessity of electing the Federation Council as well as the lower chamber in Article 97 of the Constitution. It maintains that "one and the same person cannot simultaneously be a member of the Federation Council and a State Duma deputy." Which means that the Constitution certainly does not intend that all oblast governors and Russian Federation republic presidents will be automatically included in the upper chamber. The Fundamental Law contains one

more restriction: Parliamentarians cannot be in state service.

This is the logic of the Constitution: The Federation Council, like the State Duma, should be comprised of nationally elected regional representatives. And the procedure for forming the upper chamber by election is established by federal laws.

Back in Ancient Rome it was understood that the Senate could not consist of anybody's appointees or placemen. When the demagogues (popular leaders) did not take to the elections, the representative branch of power began to be formed by...casting lots. But neither Yeltsin, Shumeyko, nor Rybkin — who doffs his cap to them — want to rely on this experience. They are afraid that fortune will not smile on the Kremlin appointees. After all, in only one-fourth of the Federation components are the executive branch heads elected, and in the rest they are people in whom probably only one man has faith — the president.

However, it is not right to present the matter as if a conflict has developed between parliament's two chambers. The majority of the Federation Council is most likely interested in elections taking place, as the presidential scheme automatically removes two-thirds of current deputies from the upper chamber. At present 25 agricultural managers, about 20 academics and journalists, legal specialists, military personnel, and so on serve there. Of those to be removed there will be almost 35 public figures, including R. Abdulatipov, Ye. Gayer, I. Kostoyev, and even V. Shumeyko.... It is more logical for them to support the law adopted by the Duma.

Yavlinskiy on Peaceful Transition of Power

MK1207113295 Moscow MOSKOVSKIYE NOVOSTI
in Russian

No. 47, 9-16 Jul 95 (Signed to press 11 Jul 95) p 5

[Article by Grigoriy Yavlinskiy, chairman of the "Yabloko" public movement, under the "Three Authors" rubric: "Between 'For' and 'Against'"]

[FBIS Translated Text] A strange situation. It is hard to say anything definite regarding most of the key political issues. Responsible politicians and political scientists cannot answer most of the questions put to them in just "yes" or "no," and only say "on the one hand it is like this, and on the other it is like that."

Take for example the government's future. Should it be voted out? No, because it is thanks to Chernomyrdin that the shooting in Chechnya has just stopped and talks have gotten under way, and a number of ministers to blame for the Chechnya venture have been canned after

all. And the new appointments have only confirmed the doubt: How can there be a better government under our president?

On the other hand, it is simply immoral not to vote for the government to go because it is the Chernomyrdin cabinet, all its members, that supported the bringing of troops into Chechnya and waged a war in its own country for half a year. And the main character in this war, General of the Army Grachev, continues as defense minister. As for terrorist acts, they are continuing even after the Budennovsk tragedy. And the nature of the talks going on in Grozny should be different, of course.

The same situation surrounds stabilization. On the one hand, the announced ruble "corridor" is good because, in conditions of a relatively forecastable financial situation, it is possible to carry out changes aimed at the creation of prerequisites for real financial stabilization and economic growth. On the other hand, it is bad because the dynamics of the national currency are supposed to reflect the processes going on in the economy rather than in the corridors of power. If an economic process goes on in a positive manner (inflation being up to 10 percent a year, production volumes are on the rise, the number of jobs grows, economic conditions are picking up, and so on), the ruble should strengthen. If processes going on in the economy have a negative nature (for example, prices grow steadily and rapidly), the ruble is supposed to fall at a speed close to the inflation rate.

Besides, the announced strengthening of the ruble is happening at the expense of export enterprises, enterprises manufacturing products for the home market, and, finally, at the expense of citizens: an increase of customs duties logical in such conditions would prove for them to be an additional tax. People in our country always end up as the "fall guys." They were first robbed by the state when it devalued their bank savings in one fell swoop. Then there was a brief but memorable epoch of financial speculators who were building "pyramids" with the full connivance of the authorities using the money of Russians who were trusting and still badly versed in market laws. When finally cornered, the people found a loophole and, in order to survive inflation, began to keep their savings in hard currency. The state rapped them on the knuckles, stagemanaging the falling of the dollar on the home market.

The list of problems having two opposed solutions goes on. The latest example is the question of impeachment of the president. It is dangerous to support this venture knowing how painfully for the country does Boris Yeltsin react to a threat to his power. It is dangerous to jump-start the impeachment mechanism knowing that

the "irreconcilable" would not fail to set up our fellow citizens for the wrath of a resolute president in the heat of the moment. Besides, it is absolutely unrealistic to see this procedure through: there may be much noise but impeachment would not work.

On the other hand, how can you resist impeachment? How much longer? It is necessary that people should finally come to believe that there are things no one, even the president, can do. Otherwise, what sort of citizens we are if we let the authority to be up to anything it would wish. If we "swallow" the war in Chechnya today this would mean we have neither democracy, nor civic society, nor the hope of moving toward creating them.

The Communist opposition. Many of a thing it says is true, but it is impossible to side with it not only because of its past but even more so because of the kind of the future it offers us.

There we are living "on the one hand, and on the other hand." There are only three buttons you can use in voting: "for," "against" and "abstained." One might as well buy a voting machine with as many keys as a grand piano to convey all the shades of political attitudes.

Or maybe we should use a different yardstick for political assessments? All that we have discussed here are "I believe it, I don't believe it," and "for and against" problems. But then citizens ask no such questions regarding the ruble, the government, or the president. People now know all there is to know about this authority. They no longer need any explanations or proof.

We face an entirely different task. All possible formal procedures or legal methods are not the most important thing today. The main criterion in assessing political problems is a peaceful transition of power in the course of the year. All that helps it along is good. All that can harm a peaceful transition of power is bad. One more thing. We had a transition of power not long ago and lost the country in the process. Today's authority should be replaced and Russia should stay.

.... And the hostages should stay alive, to a man.

Yeltsin Edict Changes Security Council Membership

*MM1107155195 Moscow ROSSIYSKAYA GAZETA
First Edition in Russian 11 Jul 95 p 1*

[Edict No. 684 of the Russian Federation President "On Changes in the Composition of the Russian Federation

Security Council," signed by President B. Yeltsin in Moscow on 7 July 1995]

[FBIS Translated Text] In accordance with Article 83 of the Russian Federation Constitution I decree that:

1. Anatoliy Sergeyevich Kulikov, Russian Federation minister of internal affairs, and Viktor Nikitovich Mikhaylov, Russian Federation minister for nuclear energy, be appointed members of the Russian Federation Security Council.

2. Viktor Fedorovich Yerin and Sergey Vadimovich Stepashin be released from membership of the Russian Federation Security Council.

Paragraph four of point 1 of edict No. 233 of the Russian Federation President dated 31 January 1994 "On the Members of the Russian Federation Security Council" (SOBRANIYE AKTOV PREZIDENTA I PRAVITELSTVA ROSSIYSKOY FEDERATSII, 1994, No. 6, p 435);

and point 1 of edict No. 548 of the Russian Federation President dated 17 March 1994 "On appointing S.V. Stepashin member of the Russian Federation Security Council" be deemed invalid.

4. This edict enters into force the day it is signed.

[Signed] Russian Federation President Boris Yeltsin

[Dated] 7 July 1995, the Kremlin, Moscow

Media Issues

CPRF Criticizes PRAVDA Coverage of Congress

MM1207085695 Moscow PRAVDA in Russian
11 Jul 95 p 2

[Unattributed report on letter to PRAVDA from Communist Party of Russian Federation Central Committee Press Service, followed by editorial office comment: "Response. PRAVDA's Chief Editor Has Received a Letter From the CPRF Central Committee Press Service"]

[FBIS Translated Text] On 4 July, it states, PRAVDA front-paged the report by Ivan Boltovskiy and Aleksandr Golovenko "To Spite All Presidents. Notes from the 30th UCP [Union of Communist Parties]-CPSU Congress." It contained a number of views and statements of an incorrect nature with regard to the CPRF [Communist Party of the Russian Federation]. Citing unnamed sources, the authors accused the CPRF of "revisionism, defeatism, repudiation of the line toward the rebirth of the Union...."

In this connection we would like to remind you of the following:

1. The Central Committee of the CPRF — the largest of the Russian communist organizations and the only one to be represented in parliament — took an active part in organizing this congress and in drafting the UCP Program and Rules. The final documents of the congress were the result of the coordination of the positions of all the congress participants. Operating under conditions of a militant anticommunist official ideology, however, the CPRF knows in practice that the regime is ready to use any formal excuse to fulfill the promises made to transatlantic "friends" — to put an end to communism in Russia. This is why we believe that democratic centralism, as one of the basic operating principles for each of the communist parties, is unacceptable on an interparty level today, since it provides grounds for persecuting the party as part of an international organization and for infringing its rights to participate in elections.

2. We do not idealize parliamentary forms or have any illusions about them. Moreover, we believe that parliamentarism does not exist in the country and that absolute presidential power virtually holds sway. Duma activity remains, at present, the broadest of the channels open to us for addressing public opinion. This is not "apostasy and defeatism." It is the utilization of the institutions of bourgeois democracy of which V.I. Lenin spoke and whose rejection constitutes dangerous shortsightedness.

3. "Repudiation of the line toward the rebirth of the Soviet Union" — such a charge against the CPRF could occur only to an ignorant or malevolent person. The idea of reviving the Union runs through all our party's program documents. We have fought and will fight for this at all levels.

A difference of opinions can undoubtedly serve as grounds for debate and for critical statements. We believe, however, that PRAVDA went beyond the bounds of comradely criticism by carrying the said report. [report on letter ends]

From the Editorial Office

We deeply regret the fact that the reaction to an ordinary newspaper report of a party congress proved so harsh. It is a bad thing if its authors went "over the top" in assessing the CPRF leadership's position and activity. But they based themselves on specific details of the debate and on the results of the vote on the question of the UCP's name. The words cited in the report are not PRAVDA's position but, as indicated in the text, the opinion of a number of delegates. Unfortunately, in preparing the report for publication the arguments were abridged — which served as grounds

for misunderstanding. We apologize and express the hope for comradely cooperation.

Military Issues

Military Official Says Spring Draft 'Succeeded'

LD1107123495 Moscow INTERFAX in English
0942 GMT 11 Jul 95

[FBIS Transcribed Text] MOSCOW, July 11 (INTERFAX) — The 1995 spring draft succeeded all across Russia, Colonel-General Vyacheslav Zherebtsov, head of the General Headquarters Mobilization Department, reported to INTERFAX on Tuesday.

According to his statistics, 209,000 young men were drafted, which was 100% of the number stipulated by President Yeltsin's decree. The spring conscript ended on July 10.

Zherebtsov noted that 129 recruits would be sent directly to armed forces, the remaining 80,000 to other military services".

"Today, 13 various ministries and departments have military services unrelated to the country's armed forces", such as the federal border service, the Federal Interior Ministry forces, rail and construction troops.

Although the spring draft was a success, the armed forces will on the whole be manned for less than 70%, the general said, adding that only the units on combat duty will be complete for 80%.

He announced plans to make the armed forces complete for 80% after the autumn draft.

Zherebtsov disclosed that about 20,000 young men did not turn up at the draft centers last spring. This number of dodgers is somewhat lower than an average figure of conscript evaders.

Federal Assembly

Duma Votes Against Launching Impeachment Procedure

LD1207084595 Moscow ITAR-TASS in English
0834 GMT 12 Jul 95

[By Pavel Kuznetsov]

[FBIS Transcribed Text] MOSCOW, July 12 (ITAR-TASS) — The Russian State Duma failed on Wednesday to create a commission which would launch the impeachment procedure for President Boris Yeltsin.

168 lawmakers voted in favour of the motion while 19 were against with no abstentions.

226 votes were necessary to create the commission.

The vote failed also because the Liberal Democratic party of Vladimir Zhirinovskiy announced it was withdrawing its 50 signatures in support of the impeachment motion. The party said this was done in connection with the hospitalisation of the President with a heart condition.

Kremlin sources, however, qualified Zhirinovskiy's plans as "a purely political election game".

The impeachment motion was launched by Communists who gathered 165 signatures of lawmakers for that. However, one communist lawmaker, Omar Bekov, also announced Wednesday he was withdrawing his signature.

The Communists thus remained without the 150 signatures necessary to launch the impeachment motion.

Legislative, Regulatory Documents 25 Jun-1 Jul 95P50143

[FBIS Media Note] The following is a listing of CIS legislation recently published in the press of the Commonwealth of Independent States compiled by FBIS. Numbers within parenthesis indicate approximate wordage. Entries followed by the notation "Text" have been translated into English and are available in FBIS publications.

SECTION I: ECONOMIC LEGISLATION (EXPORT-IMPORT, BANKING, PRIVATIZATION, AUCTIONS, REGIONAL DEVELOPMENT)

RUSSIA

Chernomyrdin 7 June Decree No. 566 Approving Statute On Licensing Activity To Carry Out Airborne Forestry Protection Work. (Moscow ROSSIYSKAYA GAZETA in Russian 30 Jun 95 p 6) (20)

Chernomyrdin-signed 9 June Government Decree No. 578 Approving New Rules For Protection Of Communications Lines And Installations (rules not published). (Moscow ROSSIYSKAYA GAZETA in Russian 29 Jun 95 p 4) (300)

Federation Council 15 June Decree No. 506-i Approving Law On Restructuring Debts On State Credits Granted To Russia Approved By Duma On 11 May. (Moscow ROSSIYSKAYA GAZETA in Russian 27 Jun 95 p 1) (200) (Text)

Federal Law No. 90-fz On Election Of Duma Deputies Adopted By Duma 9 June, Approved By Federation Council 15 June, Signed By Yeltsin 21 June. (Moscow ROSSIYSKAYA GAZETA in Russian 28 Jun 95 pp 3-7) (21,000) (Text)

Government Directive No. 839-r Of 23 June Accepting Proposed Privatization Of Diamond Drilling Enterprise. (Moscow ROSSIYSKAYA GAZETA in Russian 27 Jun 95 p 5) (200) (Text)

Federal Law No. 95-fz Signed By Yeltsin And Dated 26 June, Adopted By State Duma 26 May, Approved By Federation Council 15 June on Amendments And Additions To Laws On Income Tax, Profits Tax. (Moscow ROSSIYSKAYA GAZETA in Russian 27 Jun 95 p 3) (800)

SECTION II: POLITICAL (INTERNATIONAL AND CIS AFFAIRS, ELECTIONS, CRIME, POLLUTION)

Yeltsin 20 June Directive No. 284-rp On Formation Of Working Group To Prepare Materials For Constitutional Court's Hearing Of Appeal Regarding Constitutionality Of Yeltsin Edicts On Chechnya. (Moscow ROSSIYSKAYA GAZETA in Russian 27 Jun 95 p 5) (300) (Text)

Federal Law No. 91-fz Signed By Yeltsin And Dated 21 June, Adopted By State Duma 19 May, On Amendments And Additions To Law On Status Of Judges. (Moscow ROSSIYSKAYA GAZETA in Russian 27 Jun 95 pp 5-6) (4500)

Federal Law No. 93-fz of 23 June On Procedure For Provision Of Military And Civilian Personnel By RF For Participation In Activity To Maintain And Restore International Peace And Security. (Moscow ROSSIYSKAYA GAZETA in Russian 30 Jun 95 p 6) (3400)

Federal Law No. 96-fz On Ratification Of Consular Convention With Poland. (Moscow ROSSIYSKAYA GAZETA in Russian 30 Jun 95 p 6) (20)

Yeltsin 23 June Directive No. 293-rp Ordering 29 June Signing Of Treaty Delimiting Powers With Yakutia, Stipulating Officials To Take Part. (Moscow ROSSIYSKAYA GAZETA in Russian 29 Jun 95 p 4) (200)

Yeltsin 23 June Edict No. 633 On Priority Measures To Implement Law On Security Service Organs. (Moscow ROSSIYSKAYA GAZETA in Russian 29 Jun 95 p 4) (700) (Text)

Continuation Of Draft Russian Civil Code. (Moscow ROSSIYSKAYA GAZETA in Russian 30 Jun 95 pp 9, 12) (6500)

KAZAKHSTAN

Nazarbayev-signed 19 June Edict 'On State Enterprises,' With Accompanying Decree. (Almaty KAZA-

KHSTANSKAYA PRAVDA in Russian 27 Jun 95 pp 1, 3) (2500/100)

Legislative Documents From Russia, 2-8 Jul 95P50145

[FBIS Media Note] The following is a listing of Russian legislation recently published in the press of the Russian Federation compiled by FBIS. Numbers within parenthesis indicate approximate wordage. Entries followed by the notation "Text" have been translated into English and are available in FBIS publications.

SECTION I: ECONOMIC LEGISLATION (EXPORT-IMPORT, BANKING, PRIVATIZATION, AUCTIONS, REGIONAL DEVELOPMENT)

Federal Council 15 June Decree No. 502-I fc Approving Federal Law On Radiation Safety Of Population. (Moscow ROSSIYSKAYA GAZETA in Russian 6 Jul 95 p 6) (100)

Chernomyrdin 22 June Directive No. 837-d Setting Up Interdepartmental Commission To Examine Ministries' 1996 Budget Projections. (Moscow ROSSIYSKAYA GAZETA in Russian 4 Jul 95 p 5) (300) (Text)

State Duma 23 June Directive No. 929-i sd On Extraordinary Measures To Overcome Critical Situation Relating To Production Of Agricultural Products And Food In 1995. (Moscow ROSSIYSKAYA GAZETA in Russian 5 Jul 95 p 6) (2000) (Text)

Government 24 June Decree No. 586 On Results Of Implementation Of Federal Budget In First Quarter Of 1995 On Tasks For Ensuring Implementation Of Federal Budget In 1995. (Moscow ROSSIYSKAYA GAZETA in Russian 5 Jul 95 p 4) (1500) (Text)

Government 26 June Directive No. 863-d On Transformation Of Sovkomflot Into Open-Type Joint Stock Company. (Moscow ROSSIYSKAYA GAZETA in Russian 5 Jul 95 p 6) (250)

Government 26 June Directive No. 867-r On Appointment Of Chairman Of Standing Committee Of Constitutional Council On Foreign Investment In Russia. (Moscow ROSSIYSKAYA GAZETA in Russian 5 Jul 95 p 4) (150) (Text)

Government 26 June Directive No. 868-d On Stabilizing Socioeconomic Situation In Far East Regions. (Moscow ROSSIYSKAYA GAZETA in Russian 6 Jul 95 p 6) (300)

Government 26 June Directive No. 872-d On Ministerial Assistance To Sectoral Associations Of Producers And Exporters Relating To Resolving Statutory Tasks

Of Obtaining Necessary Information On Foreign Trade Activity. (Moscow ROSSIYSKAYA GAZETA in Russian 6 Jul 95 p 4) (300)

Government 26 June Decree No. 592 On Additions To List Of Federal Roads In RSFSR confirmed by RSFSR Government December 1991. (Moscow ROSSIYSKAYA GAZETA in Russian 5 Jul 95 p 4) (800)

Government 26 June Decree No. 595 On Establishment Of Automobile Production Capacity At Yelabuga City. (Moscow ROSSIYSKAYA GAZETA in Russian 6 Jul 95 p 6) (1400)

Government 26 June Decree No. 600 On List Of Expired Government Decisions On Questions Of Price Formation. (Moscow ROSSIYSKAYA GAZETA in Russian 5 Jul 95 p 6) (2000)

Government 26 June Decree No. 603 On Measures To Prepare National Economy For Work In Fall-Winter Period Of 1995-96 (Mainly Concerns Preparation Of Stocks Of Fuel For Power Generation In Winter Period.) (Moscow ROSSIYSKAYA GAZETA in Russian 6 Jul 95 p 4) (2000)

Government 26 June Decree No. 626 On Changes To Government Decree No. 924 of 12 August Concerning Duty On Spirits. (Moscow ROSSIYSKAYA GAZETA in Russian 5 Jul 95 p 4) (200)

Yeltsin 26 June Edict No. 637 On Federal Targeted Program 'The Development Of Electronic Technology In Russia.' (Moscow ROSSIYSKAYA GAZETA in Russian 4 Jul 95 p 5) (150) (Text)

Government 30 June Decree No. 657 On Russian Center For Assistance To Foreign Investors Under RF Economics Ministry. (Moscow ROSSIYSKAYA GAZETA in Russian 6 Jul 95 p 4) (1300)

Yeltsin 4 July Directive No. 309-rp Appointing O.I. Lobov To Head Organizing Committee Of International Conference On Nuclear Safety To Be Held In Moscow 1996. (Moscow ROSSIYSKAYA GAZETA in Russian 6 Jul 95 p 1) (200) (Text)

SECTION II: POLITICAL (INTERNATIONAL AND CIS AFFAIRS, ELECTIONS, CRIME, POLLUTION)

Chernomyrdin 17 May Decree No. 490 On Signing Of Agreement With Bulgaria On International Highways. (Moscow ROSSIYSKAYA GAZETA in Russian 7 Jul 95 p 7) (200)

Chernomyrdin 27 May Decree No. 532 On Conclusion Of Agreement With Turkmenistan On Organization Of Interstate Military Transportation And Payment For It.

(Moscow ROSSIYSKAYA GAZETA in Russian 7 Jul 95 p 7) (200)

Government 23 June Decree No. 583 On Measures To Implement Presidential Edict No. 525 On Removal Of Customs Control On Border Between RF and Belarus. (Moscow ROSSIYSKAYA GAZETA in Russian 5 Jul 95 p 4) (1400)

Government 26 June Decree No. 599 On Support For Activity Of International Body For Promoting Cooperation With Scientists Of Independent States Of Former Soviet Union On Territory Of Russian Federation. (Moscow ROSSIYSKAYA GAZETA in Russian 5 Jul 95 p 4) (650)

Government 26 June Decree No. 607 On Establishment Of RF Migration Service Offices At Russian Embassies Abroad. (Moscow ROSSIYSKAYA GAZETA in Russian 6 Jul 95 p 6) (600) (Text)

Chernomyrdin 26 June Decree No. 625 On Amendments And Additions To 11 June 1992 Decree 'On Conclusion Of Agreements Between RF Government and Governments Of Foreign States On Encouragement And Mutual Protection Of Capital Investment.' (Moscow ROSSIYSKAYA GAZETA in Russian 4 Jul 95 p 5) (600)

Government 27 June Decree No. 630 On Granting Deferment In Call Up For Military Service For Certain Categories Of Citizens With Appended List Of State Enterprises And Organizations Where Workers Are Allowed Such Deferment. (Moscow ROSSIYSKAYA GAZETA in Russian 5 Jul 95 p 5) (2300)

Federal Law 97-fl of 28 June Ratifying Agreement With United States On Duty-Free Import Of Goods For Space Cooperation Projects. (Moscow ROSSIYSKAYA GAZETA in Russian 4 Jul 95 p 5) (100) (Text)

Presidential Directive No. 305-pd of 29 June Transforming Russian Sociopolitical Foundation Into Russian Sociopolitical Center With List Of Members Of Commission To Carry Out This Transformation. (Moscow ROSSIYSKAYA GAZETA in Russian 5 Jul 95 p 5) (450) (Text)

Yeltsin 3 July Edict No. 663 On Permitting The Stationing Of Military Units On Chechen Territory. (Moscow ROSSIYSKAYA GAZETA in Russian 5 Jul 95 p 1) (150) (Text)

Regional Affairs

Further Reportage on Chechen Peace Talks

Radio Reports 'Speedy' Development

LD1107142295 *Moscow Radiostantsiya Ekho Moskvyy in Russian* 1200 GMT 11 Jul 95

[Report by Vladimir Varfolomeyev]

[FBIS Translated Text] Groznyy — Unlike any other day, there has been a speedy development of events at today's talks in Groznyy. During the night Usman Imayev and Aslan Maskhadov went into the mountains to see and consult Dzhokhar Dudayev. Later, on their return to Groznyy, they handed over to the Russian and the Chechen side a new draft document setting out solutions to the problem of the status of the Chechen Republic.

In fact, as Usman Imayev told the Ekho Moskvyy correspondent, this is generally the old variant that proposes Chechnya's sovereignty. The only difference is that it contains rough amendments following the past few rounds of talks. One member of the Russian delegation who wanted to stay anonymous told me that changes in the proposals of the Dudayevites are noticeable, particularly on how independence can be achieved.

The delegations have decided to have no breaks in their work today, and as Arkadiy Volskiy said, the results of the Russian side's discussion on the latest proposals of Dudayev's side will be made public tonight.

Question of Status Main Hindrance

LD1107174395 *Moscow Radiostantsiya Ekho Moskvyy in Russian* 1500 GMT 11 Jul 95

[FBIS Translated Text] Today's round of the Groznyy talks ended half an hour ago and we have just received a report by Vladimir Varfolomeyev from Groznyy.

[Varfolomeyev] The meeting between the Russian and the Chechen parties lasted nearly an hour longer than usual. However, just as before, there were no sensations or, indeed, any serious results at all.

Usman Imayev, head of the Chechen delegation, was the first to come out of the gate of the OSCE mission, where talks are being held. He said that in the morning the Chechens put forward their new proposals dealing with the status of Chechnya. However, Imayev said, Russia proved to be unprepared for them.

After that members of the Russian delegation appeared. Mikhail Krasnov, assistant to the president on legal matters, told a Moscow Ekho correspondent that the day was very difficult and virtually fruitless. Krasnov said

the main problem is the problem of status. No other problem, including the political future of Dzhokhar Dudayev, hinders the talks. Krasnov said the Chechen party wishes sincerely to make some progress and its demand for sovereignty is not inexorable — I repeat: It is not inexorable. The president's assistant believes a certain critical mass is being accumulated now and in the next few days the crisis will come to a head.

The talks will resume tomorrow.

Peace Talks Resume 12 Jul

LD1207091595 *Moscow ITAR-TASS in English* 0741 GMT 12 Jul 95

[By Oleg Artyushin]

[FBIS Transcribed Text] GROZNYYY July 12 (ITAR-TASS) — Talks on a peaceful settlement of the crisis in the Chechen Republic resumed at 10.20 hours Moscow time (06.20 GMT) Wednesday in the office of the OSCE mission in Groznyy and Russian negotiators said that had worked most of the night and decreased the number of draft final documents from four to two.

The problem of the status of Chechnya and its interpretation by both parties will be the main topic of the Wednesday discussion. No agreement has yet been reached on the issue although both parties had several times stated there were points of coincidence in their positions and that they were genuinely interested in an early Chechen settlement.

The Russian negotiators were especially reserved in comments Wednesday which is a sign of a considerable strain.

Negotiator Arkadiy Volskiy told reporters "there was little time to sleep last night", but as a result of intensive work the number of draft final documents was reduced to two.

Presidential aide Mikhail Krasnov said talks on Tuesday "were the most difficult, but certain positions were laid".

Russian executive head in Chechnya Nikolay Semenov commented vaguely on prospects of Wednesday talks. "Hope for reaching an accord has been existing since the first day of negotiations", he only said.

In the meantime, the Chechen Interior department said it was relatively quiet in Groznyy overnight, although sporadic submachine gun fire was heard.

The Russian military command said its forces had eight times come under fire and five times fired back. It said there were no killed or wounded in the clashes.

The Chechen information committee said militants loyal to separatist leader Dzhokhar Dudayev were moving

their units to the southern and south-eastern mountain foothills near the villages of Urus-Martan, Gekhi, Shalazhi, Goity.

According to the committee, democratic Chechen movements began preparing a republican rally in Grozny under the slogan of protecting lawfulness and order in Chechnya. The rally is scheduled for Thursday.

Yeltsin Aide Comments on Status of Peace Talks

MM1107124595 Moscow ROSSIYSKIYE VESTI
in Russian 11 Jul 95 pp 1, 2

[Interview with Russian Presidential Aide Mikhail Krasnov, member of the Russian delegation to the Chechnya peace talks, by Aleksandr Ryabushev, in Grozny; date not given: "Peace in Caucasus Threatened by Provocation and Bellicose Opposition" — first five paragraphs are introduction]

[FBIS Translated Text] Yesterday the Russian Federation Constitutional Court began examining the constitutionality of President Boris Yeltsin's edict and of the Russian Government's decree, which served as the basis for launching the combat actions in Chechnya last December.

Our newspaper has repeatedly stressed the idea that the "Chechen affair" should not become a major political action in the Constitutional Court in the sense that zealous politicians should not be able to exploit a Russian national tragedy by using the Communists' slogan "the worse things are the better."

Long before the first session opened, however, vigorous efforts were being made to turn the court case into a political trial. The talks in Grozny on the peaceful settlement of the Chechen conflict were overshadowed by the murder of a Chechen family last Friday. According to information in the editorial office's possession, atrocities have been committed against nearly 10 other families in Chechnya in July. They include Russian families. It is clear that the murder of peaceful citizens is a well-planned act of provocation designed to ensure that the Constitutional Court, in particular, should not concentrate solely on the technical-legal aspect of the assessment of the presidential edicts and government decisions.

According to the plan of the leadership of the Communist faction in the State Duma, even simple attempts to activate the impeachment procedure against the president would indirectly influence the Constitutional Court. Whereas the financiers want to create a dollar-ruble movement band so as to ensure the stabilization of the economic situation in the country, aggressively minded

politicians are laying the foundations for political tension.

Meanwhile, the talks in Grozny go on. Here is how Mikhail Krasnov, the Russian president's aide and a member of the Russian delegation, comments on this process.

[Krasnov] First of all, we have fully coordinated the military proposals with the Chechen delegation and have coordinated half of the political and economic proposals. We have also reached agreement on the disarmament of Dudayev's military formations. For this purpose a special observers' commission has been created from representatives of the two sides. In addition, the first exchange of prisoners has taken place. Dudayev's representatives have been informed that the Russian president has expressed a readiness to adopt an edict exempting participants in the armed conflict from criminal liability. We have also agreed that revenge and interethnic strife should be renounced. A peaceful settlement and free, democratic elections are the only conditions necessary for the stabilization of the situation in Chechnya.

[Ryabushev] What will the mechanism be for holding these elections?

[Krasnov] First, a coordinated statute on elections will be adopted. It will be drafted in accordance with existing Russian legislation and will include the procedure for the preparation and adoption of new normative acts based on equal conditions for all citizens and public associations which do not preach war, violence, or interethnic strife. We agreed that the elections must be held with representatives of international public organizations and associations, political parties, organs of power and administration of the Chechen Republic and the Russian Federation, foreign states, and the OSCE acting as observers — in other words, they will be independent observers. It has been decided that the formation of representative organs of power should be carried out in the light of the ethnic composition of the population and the guaranteed participation in the executive organs of power of the Russian-speaking population and other ethnic groups according to qualification.

[Ryabushev] Which of the sets of proposals under discussion at the Grozny talks is the most difficult?

[Krasnov] The political one, of course. The Chechen side is still demanding sovereignty for Chechnya and its secession from Russia. We cannot accept that and we are proposing discussing that question after the disarmament of Dudayev's formations and free elections in November this year.

[Ryabushev] Russian citizens of Chechen ethnic origin forcibly driven out of their permanent places of

residence in Stavropol Kray, Rostov Oblast, and some other regions of the federation are continuing to arrive in Chechnya. What is your attitude on that?

[Krasnov] Like all the participants in the talks, I condemn all manifestations of ethnic persecution as the most flagrant violation of human rights. I believe that massive violations of the rights of Russian Federation citizens and the infringement of the rights of people of Chechen ethnic origin do not help resolve the crisis in the Chechen Republic. I believe that such incidents should be halted immediately.

[Ryabushev] Has the fate of Dzhokhar Dudayev been considered at the talks?

[Krasnov] Not yet. But the Russian side's opinion on that is clear: Dudayev has committed a crime against the state and must face trial together with the mercenaries from those CIS countries whose governments have declared the mercenaries' war for cash in Chechnya to be illegal.

**Volskiy Terms Chechen Convoy Attack
'Provocation'**

LD1107120295 Moscow ITAR-TASS in English
1145 GMT 11 Jul 95

[By Oleg Artyushin]

[FBIS Transcribed Text] GROZNY, July 11 (ITAR-TASS) — Key Russian negotiator in Chechnya Arkadiy Volskiy branded as a provocation an attack by militants on a truck convoy with fuel on Monday night sent by the federal agency of government communication service from Mozdok in North Ossetia neighbouring on Chechnya.

The convoy was machinegunned at about 9 p.m. on Monday near Twelfth checkpoint in Grozny's Staripromyslovskiy district, an interior troops spokesman told TASS.

Six federal servicemen were wounded, one of them died in hospital on Tuesday morning. The escorting armoured vehicle was heavily damaged. The spokesman did not say whether the fuel had been stolen or not.

The Russian side at the peace talks lodged a protest with the Chechen side. However, chief Chechen negotiator Usman Imaev said he knew nothing about the incident, and accused the Russian side of shelling the Chechen villages of Bamut and Yandy-Kotyr.

IZVESTIYA Comments on Progress at Talks

MM1107135295 Moscow IZVESTIYA in Russian
11 Jul 95 p 2

[Report by Igor Rotar: "Bloody Provocation Complicates Talks"]

[FBIS Translated Text] Grozny — The fourth round of talks in Grozny has, to all intents and purposes, yielded no results. The only achievement in the five days of talks was the Russian side's agreement to an amnesty for all the participants in the conflict.

The exchange of POW's can hardly be considered a big achievement. The sides had often exchanged large numbers of prisoners even before the truce. On 9 July, the talks discussed the question of Chechnya's status and the quotas of forces in the coalition government. No compromise was reached on certain issues. The Russian side believes that Chechnya's status can only be discussed after the elections. The Dudayev side is insisting on the "current judicial status" — that is, independence. Even more vexed is the situation regarding the coalition government. The Russian side is proposing a 10-percent quota for the Dudayev supporters — something that neither the current "government of national revival" nor the representatives of the "Chechen Republic of Ichkeria" agree with.

The modest results were undoubtedly affected by the tragedy in a Grozny suburb.

The savage murder 7 July of a family of eight people has literally enraged the Chechen capital. Although after the introduction of Russian troops all rallies and mass demonstrations here were banned, this time the authorities were unable to contain the enraged citizens. "We were unable to control the situation in Grozny. I ordered the police to break up the rally by any means, up to and including the use of arms, but they sabotaged my order!" Mayor Beslan Gantemirov of Grozny admitted to me.

A truck carrying the dead bodies, accompanied by a cortege of approximately 3,000 citizens, took several hours to move through the Chechen capital. Ultimately the demonstrators were able to break through the police cordons and take the bodies to the OSCE building.

"We have seen genocide elevated to state policy. Such atrocities will continue in Chechnya until Russian troops leave the republic," Usman Imaev, head of the Dudayev delegation, told the people surrounding the OSCE building "Freedom for Chechnya! Allah akbar!" the demonstrators shouted. When the demonstrators called for the murderers to be shot publicly Imaev

replied: "Don't worry — as soon as they're found I'll do it myself."

Events the following day were like a women's revolution. Several thousand Chechen women, waving green flags and chanting anti-Russian slogans, marched across the entire city to the sovkhos where the dead family had lived. People on the sidewalks and balconies enthusiastically cheered the demonstrators. After prayers for the dead, the crowd once again besieged the OSCE building.

It was surrounded by three rows of KamAZ trucks, each carrying Chechen Special-Purpose Police Detachment members and Russian servicemen.

Nobody can guarantee that no blood will be shed during this new "storming."

"The talks were difficult before, but the tragedy has substantially complicated them and destabilized the situation in the city. Nonetheless, I hope that we will be able to keep the situation under control," was the comment on the situation made by Nikolay Semenov, chief of the Russian Federation Territorial Administration in the Chechen Republic.

Strangely enough, any of the parties to the conflict could be to blame for the atrocities. The most popular view is that the murders were the work of Russian servicemen or contract servicemen with the Russian Ministry of Internal Affairs. Indeed, there are plenty of grounds for suspicion. IZVESTIYA has already reported the Russian delegation members' claim that the military have protested almost openly against the truce.

"What truce? We should fight to the finish!" the generals complained," I was told by a Russian delegation member at the time. But even if this story is true, it is important to grasp the level at which the decision to undermine the talks was made. Thus, Salambek Khadzhiev, head of the government of national revival, is convinced that the culprits are not "local" generals but very highly placed people in Kremlin offices. As IZVESTIYA has already reported, Khadzhiev is convinced that there are two opposing Russian forces fighting in Chechnya and that, consequently, in the prime minister's opinion, we can expect new provocations by supporters of the Chechnya war in the next few days.

Nor can we rule out the likelihood that the real people to blame for the murder are "hard-liners" from Dudayev's entourage, also interested in wrecking the talks at all costs. Beslan Gantemirov claims that bullets found at the crime scene do not match the caliber used in the Russian Armed Forces. The criminals were armed with mortars, which is also not typical of federal troops. Finally, the murders could even have been carried out

by the current Chechen Republic leadership, realizing that the talks would to all intents and purposes remove them from power.

As ever, Mayor Beslan Gantemirov of Grozny has been sharpest in his assessments. Thus, he is convinced that the Russian side blocked his attempts to break up the rally at all costs. It is obvious that if blood had again been spilled when the demonstration was being broken up, there could have been no question of continuing the talks.

In the recent past Gantemirov was a field commander of the largest detachment of the armed anti-Dudayev opposition and made no secret of his dissatisfaction with events in the OSCE building. In his opinion, the OSCE needs to move away from the city, and Usman Imaev, head of the Dudayev delegation, should simply be physically eliminated. "The Russian authorities' actions are pushing me into armed resistance," the mayor of Grozny summed up our conversation.

Nor is Khadzhiev making any secret of his dissatisfaction with events. "We cannot tolerate tyranny against the civilian population by Russian federal and internal troops," the prime minister said, beginning his conversation with me. "On 9 July the government of national revival and the committee of national consensus issued a joint statement which said, in particular, that since Dudayev disagreed with the zero option (the simultaneous resignation of the mutinous president and the current government), the new authorities would be prepared to include 'moderate' representatives of the Dudayev entourage in a committee of national consensus and, if necessary, in a government of national revival."

"Would you remain head of the new government?" I asked.

"That is a question for me and the government members to decide — not Semenov or Volskiy under any circumstances," Khadzhiev replied with some irritation.

By all accounts Moscow will have to seek common ground in the very near future not only with Dudayev representatives but also with its recent placemen, who have been displaying increasing obstinacy and independence of late.

Stavropol Police Deny Prejudicial Evictions

*LD1107210395 Moscow ITAR-TASS in English
1848 GMT 11 Jul 95*

[By Svetlana Manukova]

[FBIS Transcribed Text] STAVROPOL, July 11 (ITAR-TASS) — The Stavropol territorial interior bodies have not received complaints about arbitrariness and mob

law on the part of local residents against Chechens living in the territory. Administrative sanctions are applied only to violators of the passport regime regardless their nationality, head of the press service of the Stavropol territorial administration's interior department Zoya Novikova told ITAR-TASS today. As for reports claiming forced eviction of Caucasians from the Stavropol territory, they are ungrounded, said the press service head.

The statement was made after a joint statement of the Russian governmental and Dudayev delegations made public in Groznyy on Monday. It says that "ethnic Chechen Russian citizens are coming to Chechnya after being forced from places of their permanent residence in the Stavropol territory, the Rostov region and some other areas of Russia." Head of the territorial department of executive power bodies in the Chechen republic Nikolay Semyonov reported on Thursday that about 100 Chechen families had to leave the aforesaid regions due to unbearable conditions.

After the Budennovsk tragedy, preventive measures are being taken to reveal people who illegally reside in the Stavropol territory without a residence permit, the refugee status or certain trip goals, said Novikova. This is being done in accordance with the Russian laws and the instruction of the territorial administration under which all citizens arriving or residing in the Stavropol territory from July 1 through August 1995 shall permanently have identification cards on them.

Dudayev Battle Plans Show Terrorist Intent
MM1207095495 Moscow ROSSIYSKIYE VESTI
in Russian 12 Jul 95 p 2

[Unattributed report: "Order to Bomb Russian Cities"]

[FBIS Translated Excerpt] A plan envisaging air strikes against important state and military installations outside Chechnya was meaningfully dubbed "Lasso" by the president, General D. Dudayev. ROSSIYSKIYE VESTI has Dudayevist documents defining the procedure for carrying out this military operation. We bring some of them to readers' attention.

It is clear from the facsimile that Major General of Aviation D. Dudayev in his own hand ordered Colonel O. Maskhadov, chief of the Chechen Republic of Ichkeria Armed Forces General Staff, to "classify" all the documents and draw up missions for all pilots.

The secret order and the elaboration of Operation "Lasso" are, we think, more convincing than any words in terms of shedding light on the real face of the maniac Gen. D. Dudayev, who loves to pose as a peacemaker and human-rights defender:

"...I order that:

"1. The Chechen Republic of Ichkeria Armed Forces General Staff shall draw up a timetable for distributing enemy strategic installations among Chechen Republic of Ichkeria ground-attack aircraft for attack, indicating the weapons platforms, attack systems, units to carry out the combat missions, and flight crews' combat readiness signals.

"2. Formalized work shall be carried out at targeted enemy installations and their everyday activity constantly monitored.

"3. At my signal, the chief of the Chechen Republic of Ichkeria Armed Forces General Staff shall immediately supply me with the 'Dagger' and 'Ozone' packages, information on the installations' activities, and the officials indicated by me to receive their mission assignments once the mission orders have been updated.

"The necessary formalized documents on the 'Lasso' plan shall be drawn up by the end of 20 September 1994. I order the chief of the Chechen Republic of Ichkeria Armed Forces General Staff to monitor the implementation of this order.

"[Signed] Gen. Dudayev, commander in chief of the Chechen Republic of Ichkeria Armed Forces."

Flight Crews' Combat Readiness Signals for Operation "Lasso"

"Lasso" — Obtain mission orders to carry out ground-attack strikes against strategic enemy targets;

"Photon-001" — Chechen Republic of Ichkeria Armed Forces High Command scrambles aircraft to destroy target No. 001;

"Dagger-002" — Chechen Republic of Ichkeria Air Force commander scrambles aircraft to destroy target No. 002 once the Chechen Republic of Ichkeria Armed Forces High Command mission orders have been updated;

"Ozone-003" — Chief of the Chechen Republic of Ichkeria Armed Forces General Staff Operations Directorate scrambles aircraft to destroy target No. 003 once the Chechen Republic of Ichkeria Armed Forces High Command mission orders have been updated. [passage omitted]

Groznyy Mayor Fears Dudayev Supporters in Power

AU1107170995 Paris AFP in English
1645 GMT 11 Jul 95

[Report by Nicholay Topouria]

[FBIS Transcribed Text] Groznyy, Russia, July 11 (AFP) — As rebel President Dzhokhar Dudayev's government and Russian authorities inch towards an accord on ending the war in Chechnya, Dudayev's opponents are nervous and angry.

Anti-Dudayev figures have been almost the only forces in Chechnya to profit from the seven-month war, taking up power in the wake of the Russian troops' advance southwards against separatist fighters.

The details of the accord being forged at peace talks here remain unknown. But the Russian negotiators have made huge compromises to the Dudayev government and it seems clear that pro-independence candidates, although almost certainly not Dudayev himself, will be able to run in planned general elections.

Such an accord would directly threaten the status of opposition forces who were backed by Russia in a covert war last year to try and topple Dudayev.

Opposition figures blame Dudayev for the war and Dudayev supporters label their opponents Russian puppets. Hatred between the two camps is such that many here predict a civil war if Moscow decides to wash its hands of Chechnya and allow the "Dudayevski" to return to the political ring.

Beslan Gantemirov, the former mayor of Groznyy and a rich businessman who fell out with Dudayev, has regained his post of mayor in the ruined city and again has a considerable armed force at his disposal. All that could go if Dudayev, or one of his faithful, regains the presidency.

"I'm not happy with these negotiations. Why should the Russians negotiate with an illegal government," Gantemirov told AFP in an interview at his heavily guarded office.

At the Russian-installed procurator's office, Leche Gadayev accused Dudayev's men of planning retribution killings against the so-called collaborators.

"We have information that Dudayev people are preparing assassinations. If there really are incidents, then we will take all legal measures to arrest these people," he said.

"The Russians have proved incapable of arresting these people so we'll do it. And if it can't be done legally,

then we'll do it another way. We have no choice in this chaos," Gadayev said.

Gantemirov, surrounded by heavily armed guards, many of whom were with him when he fought Dudayev's men last year, said he absolutely opposed Dudayev being allowed to remain in political life.

"If it's just Dudayev supporters running, then I can't really oppose this, but I don't think they would have much chance," he said.

Gantemirov's deputy, Vladimir Danilov, said that elections should not even be on the negotiating table. "The first step is not to discuss power or elections or political questions. What we need is practical steps, to rebuild the city, provide services," he said.

If it did come to an open power struggle between Dudayev and his opponents, it would likely be far more bloody than last year's sporadic clashes.

Unlike last year, Dudayev is now backed by thousands of battle-hardened fighters and in the eyes of nationalists he is a unique authority, having resisted the Russians for so long, while the opposition figures cooperated.

However, Gantemirov had won virtual control over most of the tiny republic late last year and he is believed to have the money, weapons and ambition to fight again.

"Russia couldn't beat Dudayev, but we almost did. Dudayev wants the Russians to stay here, he's praying — otherwise we'll get him," said Aslambyek, a guard of Gantemirov, who would not give his last name.

In negotiations, mediated by the Organisation for Security and Cooperation in Europe, the Chechens appeared to have accepted a Russian proposal to decide the longterm status of Chechnya in relation to the Russian Federation only after free general elections.

Dudayev is unlikely to be allowed to take part in the elections, but this has yet to be decided.

But Usman Imaev, the head of the Chechen delegation, said he was trying to persuade the Russians to recognise the current government prior to elections.

Dudayev declared Chechnya, a tiny Moslem country in the Caucasus, independent from Russia in 1991.

Russian President Boris Yeltsin never recognised this and tried to crush the uprising in a war that started December 11 and has left 15,000 to 30,000 people dead, according to various estimates.

Grachev Cited on Chechnya Troop Deployment Plans

*MM1207110395 Moscow Russian Public Television
First Channel Network in Russian 1700 GMT 4 Jul 95*

[From the "Vremya" newscast: Video report from an air defense unit near Moscow by Mikhail Zotov, identified by caption]

[FBIS Translated Text] [Yeltsin signed a decree authorizing the permanent stationing of Russian units in Chechnya] [Announcer to camera] The Defense Ministry notes that, for the time being, the situation in Chechnya does not make it possible for all units and subunits of the Russian Army to have permanent stations. Defense Minister Pavel Grachev, visiting a surface-to-air missile regiment entrusted with Moscow's air defense, spoke about the plans of the Russian military today.

We will have a motorized-rifle brigade and a small construction unit there. Furthermore, the military commissariat in Grozny is being reestablished. There will also be a number of small special units and subunits that will be part of the 58th Army.

[Zotov over video of interior of command center, Grachev emerging from command center] According to Pavel Grachev, in line with the president's new decree, in addition to the armed forces certain subunits of border troops, internal troops, and units which do not form part of the Armed Forces will be stationed in Chechnya. In all probability, Grachev had civil defense troops in mind.

[Grachev] In order to legitimize this....

[Zotov] Was the decree really necessary...?

[Grachev] Naturally, we cannot take such decisions on our own, and not only in Chechnya. If, for instance, it is decided to create a new unit somewhere or to disband a specific unit, a presidential decree is a must. Grachev cannot reduce or abolish anything just like that. It is not my personal decision.

[Zotov] Familiarizing himself with the state of affairs at a surface-to-air missile unit in Moscow Oblast, Grachev complained that Army and Navy personnel had not received a single kopek in June. Essentially, no food or fuel had been bought, troops in the North were poorly provided for, and defense complex enterprises received no funding at all.

[Grachev] Russian President Boris Yeltsin will therefore have to join the battle, so to speak. I have briefed him on the prevailing situation. With the help of his vigorous efforts we will seek to rectify the situation. [video shows

Grachev interview, interior of command center, Grachev observing missile position]

Federation Council on Conditions for Elections

*MM1107142895 Moscow ROSSIYSKIYE VESTI
in Russian 11 Jul 95 p 2*

[Report by Pavel Anokhin on conversation with Ramazan Abdulatipov, deputy chairman of the Federation Council; place and date not given: "Nevertheless, There Will Be Elections..."]

[FBIS Translated Text] Everyone who was included on the electoral roll and was registered in Chechnya in 1990 should take part in the forthcoming elections in the republic. That proposal was put forward by Ramazan Abdulatipov, deputy chairman of the Federation Council, in conversation with your ROSSIYSKIYE VESTI correspondent.

"Otherwise there will not be complete truth and justice there," he said. "The Russian who left Chechnya under pressure from Dudayev's men will decide for himself whether to return to the republic or not but he must take part in the formation of his homeland's new authorities. In addition, each ethnic section of the population must have a certain proportion of representative places in proportion to its numerical strength. This solution to the problem will create the conditions for the refugees' full-scale return to the republic."

According to Ramazan Abdulatipov, the residence of Russians in the North Caucasus republics guarantees their stability. "I would not like an ethnocratic state to appear next door to Dagestan," he stressed. "This will create a danger to the whole region."

When expressing his attitude toward the "zero option," Ramazan Abdulatipov mentioned the plan for the settlement of the conflict put forward by the upper chamber of the Russian Federal Assembly. According to that plan at the first stage the opposing sides were supposed to hold talks only on the cessation of hostilities, disarmament, and the withdrawal of troops. At the second stage of the talks the idea was that the federal organs of power will act not as a party to the conflict but as a mediator among all the political forces in Chechnya and bring them together.

"Mindful of the Chechens' psychology and their division into clans, the Russian center should bring everyone to the negotiating table to identify mechanism for the elections and the potential participants in them," Ramazan Abdulatipov believes. "They know better than we do the true guilt of each of its organizers, who was embroiled in it by chance, who was a sincere patriot, and who made money out of this from the beginning. They

must all be invited without exception — Khadzhiyev, Avturkhanov, Zavgayev, Khasbulatov, Mamadayev, and Dudayev are all equally well known in the republic. In the negotiating process they can all voluntarily withdraw from the political arena and make way for second-rank politicians — those who bear less guilt and are more capable of reaching compromise."

According to Ramazan Abdulatipov, "unless these problems are resolved there is hardly any point in holding elections because everything is going to begin from scratch. In the opinion of the deputy chairman of the Federation Council, present-day Chechen politicians who launched the war in the republic have forfeited their right to a political future. That is especially true of D. Dudayev, who ceased to be a president when he took up arms and merely as a general spent a full three years preparing for war and turned the political conflict between the federal organs of power and the self-proclaimed organ of power in the republic into an interethnic conflict.

"I met with Dudayev a number of times, including in 1991, and I had talks with him," Ramazan Abdulatipov said. "He gave me a hand-written warrant [polnomochiye] which I agreed to convey to the federal center, but while I was in the air bound for Moscow he changed his mind." According to Ramazan Abdulatipov, Dudayev's "firmness" was largely encouraged by Moscow's naive hope that everything would work out of its own accord. In his opinion, official circles are now harboring another naive belief — namely, that everything will settle down when the "peace" documents are signed. "The wound of alienation and misunderstanding here is too deep to be healed quickly," he said, "and this conflict will drag on for decades."

The problem is not just to do with the Chechens. "There isn't a single full-fledged state in the world or a single people as great as the Russians," Ramazan Abdulatipov, a specialist on ethnic problems, believes, "who have endured what Dudayev perpetrated for three years in overthrowing a legitimate authority, gunning down the opposition, and violating human rights, first and foremost those of the Russians, on a massive scale."

Nevertheless, the deputy chairman of the Federation Council is convinced that all politicians bear guilt for the war and bear even greater guilt than Pavel Grachev. "He became involved in the situation at a time when the politicians were no longer able to do anything," Ramazan Abdulatipov said. "The politicians' crafty attempts to impute guilt to one another are simply astonishing. We all bear a common responsibility, beginning with D. Dudayev and ending with everyone in Moscow who was involved in this process and did

nothing. Of course, everyone's guilt is in proportion to his authority."

Ramazan Abdulatipov expressed a negative view of the OSCE mission's participation in resolving the conflict. In his opinion, such mediation should not have been allowed because in time such organizations could be replaced on Russian territory by UN troops with all the ensuing consequences.

Yeltsin Resolves Some of Far North's Problems *MM1207074595 Moscow TRUD in Russian* 11 Jul 95 p 1

[Report by Svetlana Demikhova under the "Here Is the News" rubric: "President Sympathetic to People of the Far North"]

[FBIS Translated Text] The other day, Russian President Boris Yeltsin met with the governors of Moscow, Novgorod, Arkhangelsk, and Vologda Oblasts. Igor Shpektor, president of the Economic Collaboration Association of the Union of Arctic and Far North Cities, took part in the meeting.

The interrelationship of components of the Federation and the Russian president's budget message to the State Duma were the main topics of the meeting in the Kremlin. The most acute and specific problems affecting the people of the Far North were also discussed. Decisions in principle on certain of those problems were made by the president there and then. Until now, people who have worked 20 or 30 years in the Far North have not received the pension they have earned, if they have left Russia. This will now be rectified: Boris Yeltsin has ordered the immediate preparation of an edict on Russia's responsibility toward such pensioners and on the payment of the pensions earned by them regardless of where they live.

The Russian president has ordered the preparation of an edict changing customs rules which will enable northerners to ship construction materials and their own property to Ukraine, for example, in excess of the current norms. Boris Yeltsin has recognized the need to set up a federal structure at the level of a ministry to ensure the comprehensive solution of all the problems besetting the Far North.

Chernomyrdin Signs Agreements With Buryat President

LD1107114195 Moscow Radio Rossii Network
in Russian 1000 GMT 11 Jul 95

[FBIS Translated Text] A signing ceremony was held this morning between a Russian Government delegation and the Government of Buryatia at Government House

on Krasnopresnenskaya embankment. Our special correspondent Regina Lukashina reports:

[Lukashina] The following agreements were signed, among others, on the following subjects: joint usage of natural resources, their protection and provisions for ecological safety, on renewal of raw material resources; special conditions for economic activities on the territory of the Baykal national park; division of power in the foreign economic policy; cooperation in civil defense, warning of emergency situations and mobilization of the economy; and finally on the division of powers in the social and economic development of northern regions and the area of the Baykal-Amur railway.

After signing these agreements, Russian Prime Minister Viktor Chernomyrdin and Buryat President and Prime Minister Leonid Potapov issued a short statement to the press.

In particular, the prime minister said the process of signing agreements with the constituent parts of the Russian Federation is proceeding within the framework of the Russian Constitution. He stressed that everyone needs these agreements. He added that in the very near future similar agreements will be signed with other constituent parts of the federation.

Buryat President Leonid Potapov said that since the 16th century Buryatia has been an example of good neighborliness and fruitful cooperation with Russia. He underlined that the situation in the republic is stable. Russia is multifaceted, and Buryatia is a very specific administrative and territorial entity. The agreement on Baykal is particularly important because 336 small and big rivers flowing into Baykal do in fact need to be ecologically protected. The financial backing for geological exploration in the region will come from the federal budget, while the Buryat authorities will have the responsibility of overseeing the effective use of resources.

Leonid Potapov expressed confidence that the plans of the federal authorities to revive the country's statehood and economy will come to fruition, and wished the prime minister success on behalf of the Buryat people and government.

Omsk Oblast Passes Laws on Budget, Local Authority

*MK1107134095 Moscow SEGODNYA in Russian
11 Jul 95 p 3*

[Unattributed report under the "Provincial Chronicle" rubric]

[FBIS Translated Text] Omsk — The oblast Legislative Assembly has passed laws regulating the activity of

local authorities. In this number are laws on budget policy and the budget system, and on elections for governor. Assembly Chairman Vladimir Varnavskiy has advised that the legislators are worried about a lack of control over the Property Fund, which was transferred to the executive structures in fall 1993 and which made serious mistakes in privatization. The Legislative Assembly committee on property will help make its activity comply with the law.

An oblast human rights committee has been set up in the city. Its task is to protect the rights of deceived depositors, consumers, refugees, and prisoners. The committee will also be dealing with the problems of national minorities and forced resettlers.

Samara Oblast in 'Tug-of-War' With State Duma
*MK1207071295 Moscow KOMMERSANT-DAILY
in Russian 11 Jul 95 p 3*

[Report by Konstantin Lange under the "Political Process in the Regions" rubric: "Regional Lawmaking: Teaching Your Grandma To Suck Eggs"]

[FBIS Translated Text] Moscow's attempts to curb the regions' overzealousness are only accelerating the legislative tug-of-war between the center and Federation components. This has again been confirmed by the deputies of the formerly calm Samara Oblast Duma: Having passed the first reading of the draft regional regulations, the deputies felt free to interpret some of the norms currently being worked out at the federal level.

Preparation of the draft "oblast constitution" started last September and proceeded with great difficulty, which was mostly accounted for by the absence of federal laws to regulate relations between the center and Federation components. The situation has changed of late, however. Recent meetings (including informal ones) with federal parliamentarians led the Samara deputies to believe that their State Duma counterparts would not object strenuously to their interpreting norms not specified by federal laws. Persistent rumors of an alleged presidential edict to suspend the development of regional regulations provided the major impetus to the autonomous lawmaking activities. Thus, passing their own regulations promptly was seen by the Samara Duma deputies as almost the only way to bypass the said edict.

The draft law (26 chapters and 204 articles) looks nearly as voluminous as an entire constitution. The federal administration, though, will likely be interested not so much in the length of the document as in some poorly camouflaged attempts by Samara deputies to teach their Moscow grandma to suck eggs when it concerns certain

norms of lawmaking activity. For example, if federal deputies do not bother to pass this of that law on the issues of both the component's and the Federation's authority, the Samara deputies reserve the right to "make their own legislative regulations" on these issues. If Moscow is ultimately going to pass such a law, it must, in the Samara deputies' view, consult with them.

In some instances, however, the Samara deputies intend to manage without undue words. Thus, the regulations completely rule out the possibility of the regional Duma's dismissal by any of the federal authorities before the appointed time, though the possibility is still provided in the draft laws being considered by the State Duma. Implementation of an article that declares as invalid any legal acts infringing on human rights could also bring about very interesting results.

Tatarstan To Stop Payments to Federal Budget

*LD1207105595 Moscow ITAR-TASS in English
0936 GMT 12 Jul 95*

[By Nikolay Sorokin]

[FBIS Transcribed Text] KAZAN, July 12 (ITAR-TASS) — Tatarstan, the first republic within Russia to divide powers with Moscow, has decided to halt payments to federal budget until Russia repays its debt for workers' salaries in the local defence industry, Tatarstan's prime minister Farid Mukhametshin said on Wednesday.

The Russian ministry for the defence industry failed to pay 96 billion roubles (19.2 million dollars) for military hardware local enterprises produced in 1994. To support the workers, the Tatarstan government had to pay their salaries out of its own budget.

Mukhametshin said they urged Russia to pay the debt but got no reply either from the finance ministry or from Prime Minister Viktor Chernomyrdin. "Then we were forced to resort to extreme measures," Mukhametshin said.

North Ossetian, Ingush Presidents Sign Agreement

*LD1107161395 Moscow INTERFAX in English
1436 GMT 11 Jul 95*

[FBIS Transcribed Text] VLADIKAVKAZ, Russia, July 11 (INTERFAX) — Russia's republics of North Ossetia and Ingushetia signed an agreement Tuesday to give an impulse to the settlement of a conflict between them which goes back to 1992 ethnic bloodshed.

The accord, signed by the North Ossetian and Ingush presidents, Akhsarbek Galazov and Ruslan Aushev, in the North Ossetian capital Vladikavkaz, makes provi-

sion for measures to enforce an earlier decree by Russian President Boris Yeltsin aimed at settling the discord, triggered by bloody Ossetian-Ingush clashes which shook the two North Caucasus republics in October and November 1992.

The agreement follows a meeting which Galazov and Aushev have had in Vladikavkaz and which they described at a subsequent news conference as the beginning of a new period in the two republic's relations.

The two leaders told the conference they had also sent letters to Yeltsin and Prime Minister Viktor Chernomyrdin asking them to speed up funding reconstruction work on the former site of the violence.

Answering an INTERFAX question, Aushev said the claim North Ossetia makes to part of the Ingush territory was not discussed during the Vladikavkaz talks.

The negotiations were mediated by Russian Deputy Prime Minister Vladimir Lozovoy, head of a provisional Russian government ministry set up to oversee the settlement process.

The two presidents said they had agreed to hold their next meeting in the Ingush capital Nazran, but a date for it has not yet been announced.

Far East Exercise Successful 'Without Exception'

*MM1107120995 Moscow KRASNAYA ZVEZDA
in Russian 11 Jul 95 p 1*

[Interview with Colonel General Vladimir Zhurbenko, first deputy chief of the Russian Armed Forces General Staff, by Valeriy Usoltsev; date and place not given: "Inspection and Command-Staff Exercise Over in Far East Military District. High Results" — first two paragraphs are introduction]

[FBIS Translated Text] A comprehensive inspection of the Far East Military District carried out by a group of generals and officers from the central apparatus of the Russian Federation Defense Ministry and the Russian Federation Armed Forces General Staff ended Saturday 8 July with a summing up of the results of the front-line command-staff exercise. This is the first time that such a large front-line command-staff exercise — in terms of both the number of participants and the complexity and number of points rehearsed — has been carried out in the last few years. Nevertheless the men of the Far East Military District, displaying high proficiency and competence in staff duties and management, were consistently rated "good."

After the results of the exercise had been summed up your KRASNAYA ZVEZDA correspondent interviewed Colonel General Vladimir Zhurbenko, first

deputy chief of the Russian Federation Armed Forces General Staff, who was in charge of the commission.

[Usoltsev] Vladimir Mikhaylovich, this is not the first time that you been in the Far East, so you are well aware of the situation in our region and the lives and combat training of the troops stationed here. Have the subunits' combat readiness and the state of hardware and arms deteriorated? Were many shortcomings detected?

[Zhurbenko] Let us begin with the last point. Shortcomings do of course exist. But how can they not exist when the Russian Defense Ministry has only allocated 40 percent of the required minimum budget. So the men of the Far East Military District are by no means to blame for the overwhelming majority of the shortcomings revealed during the comprehensive inspection.

Despite the countless difficulties that the Far East Military District is experiencing along with the rest of the country and the Army, personnel are able to perform their assigned tasks. I can say the same about the state of hardware and arms. Although some things do, of course, have to be updated.

[Usoltsev] It is no secret that this kind of command-staff exercise has not taken place for a long time and that this is the first time that a number of generals and officers have taken part in such demanding events. How do you find the proficiency of the men of the Far East?

[Zhurbenko] It is high. They successfully performed all the tasks being rehearsed. Moreover I must say that these tasks were often extremely difficult and full of tactical problems.

Everything illustrates that proper attention is being paid here to operational-tactical training and to training staffs and that generals and officers are working constantly on themselves and are conveying their knowledge and experience to their subordinates. The division commanded by Major General Anatoliy Demidov, the army corps commanded by Major General Gennadiy Anoshin, the Air Defense Forces and Air Force armies commanded by Lieutenant Generals of Aviation Oleg Anisimov and Viktor Kozlov, and other large formations and units made a good impression.

[Usoltsev] As far as I am aware, during the command-staff exercise the ability of the group of troops based in the Far East to repulse air raids and counter an amphibious landing was also checked out....

[Zhurbenko] And that is not all. Moreover, I repeat that all tasks without exception were performed successfully. For instance, none of the aerial targets — high-speed, maneuvering targets flying at various altitudes and

protected by combined countermeasures — reached its planned target. The raids were massive.

Economic Issues

Watchdog Administration Urges Farm Subsidy Checks

MM1107145595 Moscow ROSSIYSKIYE VESTI
in Russian 5 Jul 95 p 3

["Exclusive" article by Yelena Ishkova: "Billions for Agro-Industrial Complex Turn Up in Commercial Banks"]

[FBIS Translated Text] *Extract from a speech by Russian Federation President Boris Yeltsin at a government session 22 June 1995: "The recent audit of the agro-industrial complex confirmed how widespread the practice of the nontargeted use of budget funds is. Delays in transferring money are continuing in the agro-industrial sphere, and at the same time allocated funds are being put into commercial banks at high interest rates. In this context the demands made on the government to finance work in the agro-industrial complex are becoming increasingly tough.*

"The other day I instructed the head of the government and the leader of the Central Bank to impose order and severely punish those guilty of the nontargeted use of budget funds in the agro-industrial complex. We will not stop there."

It seems that the concerns of peasants, or more precisely their very grave financial problems, which are the reason for the protracted crisis in the agricultural economy, really are a government priority this year. Here are some figures for comparison. In the first half-year of 1994 the countryside was allocated 6.6 percent of the funds stipulated by the state budget for the year. For the period January-May this year the agro-industrial complex was financed at 33.4 percent of the appropriations it is due to receive for the year. A total of 3.7 trillion rubles [R] — that is the staggering sum that has been allotted to peasants from the budget in the first five months.

Meanwhile agrarians' attacks on the government are becoming stronger, not weaker. The Duma's Agrarian faction, one of the biggest, only recently voted en bloc for the motion of no confidence in the government (the exceptions were Vice Premier A.Kh. Zaveryukha, who was against, and Minister A.G. Nazarchuk, who abstained) and confirmed its opinion in the second vote. One of the reasons why Lapshin's supporters are chronically dissatisfied with the Chernomyrdin cabinet remains what is in their opinion the weak budgetary support for peasants.

In the countryside, despite injections of trillions of rubles, the production slump continues and the number of loss-making farms is increasing. Agrarians, communists, and Zhirinovskiy's supporters are making political capital out of this.

Why exactly is the agrarian sector going short of allocated funds? Where is the money going? The investigation into this was helped by the audit carried out on Yeltsin's instructions by the Presidential Control Administration jointly with the Federal Security Service [FSB] and specialists from the government, Finance Ministry, and Agriculture and Food Ministry apparatuses. It is the same audit that allowed the president to draw a stark and depressing conclusion at a government session about the use of budget money assigned to the countryside.

Our newspaper's editorial office possesses full official information about the results of this audit, so we decided to present it in unabridged form:

In the Control Administration's opinion, three main problems can be singled out in the process whereby a producer of agricultural products receives funds from the federal budget.

1. Officials Take Their Time Over Transfers

For a long time the Russian Agriculture and Food Ministry has failed to transfer funds received from the federal budget to structural subunits and agro-industrial formations. Thus, funds for current expenditure totaling R25.7 billion received by the Russian Agriculture and Food Ministry 3 February 1995 were transferred to subordinate enterprises and organizations 2 March 1995. As of 20 April 1995 R24.4 billion of first-quarter budget funds remained unallocated in the Russian Agriculture and Food Ministry's account. Some regions have still not received 1995 budget funds (the Republics of Tatarstan and Bashkiria and Bryansk, Kamchatka, Tambov, and Perm Oblasts).

A current audit carried out in 40 Russian regions showed that the federal budget debt in 1994-1995 for 14 Russian Federation components alone totaled over R328 billion. Thus, for six subsidy and compensation items Voronezh Oblast received only R150 million (0.3 percent) out of R43.785 billion; Kursk Oblast agro-industrial complex received R19.972 billion less than it should have for 1994; Bryansk Oblast agro-industrial complex received R6 billion less; and Kamchatka Oblast agro-industrial complex received R2.2 billion less. The federal budget debt totaled R21 billion to Nizhniy Novgorod Oblast agro-industrial complex, R12 billion to Magadan Oblast, R20 billion to Kaliningrad Oblast, and R10 billion to Amur Oblast agro-industrial complexes.

In addition, in many regions the late transfer of federal budget funds to consumers is now being reflected at regional level. Thus, in Belgorod Oblast some rayon financial departments have delayed the transfer of funds to recipients for between one and nine months. In Maritime Kray, the agriculture administration has held back received budget funds for up to 48 days. In Irkutsk Oblast unjustified delays of between 10 and 30 days in releasing budget funds to the agro-industrial complex have been noted. Given the seasonal nature of agricultural work, these delays are intolerable.

2. Peasants' Money Put to Work by Businessmen

The funds allocated to the agro-industrial complex from the country's budget are frequently not being used not for the intended purpose, and this is happening at all levels of administration.

For example, the April 1995 audit in the Russian Agriculture and Food Ministry established that instances are occurring whereby the ministry leadership is approving the forwarding of federal budget funds which predetermines their nontargeted use and is allowing the redistribution of budget appropriations allocated for specific measures. Thus, in the light of agriculture's acute need for pesticides the Russian Finance Ministry allocated R72.7 billion for these purposes in the first quarter. But the Russian Agriculture and Food Ministry redistributed these funds to other areas, allocating only R49.8 billion (68.5 percent) for imported pesticides.

To tighten control over the targeted use of budget resources, treasuries have been organized in 65 Russian regions to carry out financial activities using federal budget funds. At the same time the Russian Agriculture and Food Ministry has in some cases continued to carry out budget financing through commercial banks (Ulyanovsk, Yaroslavl, Leningrad, Tver, Kursk, Kaluga, and Saratov Oblasts and Krasnodar Kray).

In Lipetsk Oblast the audits carried out by treasury organs in February 1995 noted cases whereby elevators and grain reception enterprises transferred R2.9 billion in earnings from the sale of grain not to suppliers' settlement accounts to pay for products supplied but to pay for a supplier's debts for petroleum oils and lubricants and fertilizers. R2.1 billion earmarked to pay for grain was diverted for nontargeted needs for a period of between one and three and a half months.

Tambov Oblast's "Fermagrosvet" private interfarm enterprise, having in December 1994 received R206 million from the federal budget on preferential terms to repair equipment before spring field work began, used it to cover its debts.

The nontargeted use of large amounts of budget funds allocated to the agro-industrial complex and their placing on commercial bank deposits were revealed by audits of treasury organs in Amur, Astrakhan, Kirov, Bryansk, Samara, Kaluga, Kursk, Moscow, Orenburg, Penza, Ryazan, and Tambov Oblasts, in Stavropol Kray, and in the Republic of Mordvinia. Control organs have established the nontargeted use and overpayment of budget funds intended for the agro-industrial complex in the following amounts: Lipetsk Oblast — R367.3 million, Magadan Oblast — R1.5 billion, Altay Kray — R1.221 billion, Vologda Oblast — R400 million, Omsk Oblast — R2.661 billion.

In October 1994 the Novokubansk branch of the "Kazakbank" commercial bank used R14.1 billion, transferred by the "Roskheleboprodukt" joint-stock company for the "Trivis" limited partnership (Novokubansk City), for lending to commercial structures.

Belgorod Oblast Financial Administration received R1.1577 billion to purchase elite seed, transferred R766 million of it for the intended purpose, and the remaining funds went on paying wage arrears, purchasing mineral fertilizers, and into the accounts of certain private farms.

In a number of cases budget funds have been transferred directly to farms without instructions as to the purposes they should be used for (R500 million to the "Mezhenikovskoye" agricultural company in Tomsk Oblast; R200 million to the "Zavety Iliche" agricultural cooperative, Shchigrovskoye Agricultural Administration, Kursk Oblast; R200 million to the "Revyakino" joint-stock company in Yasnogorodskiy Rayon, Tula Oblast; and R300 million to Ketchenerovskiy Rayon farms in the Republic of Kalmykia).

There are instances whereby private farms and peasant farms are using centralized credit resources, intended to be used to develop agriculture, to acquire automobiles, securities, and such like. In Saratov and Ulyanovsk Oblasts a number of farms have gone to the wall, some of them do not have the appropriate credit guarantee documents, and as a result no claims for the repayment of credit can be made and it becomes difficult to monitor the use of resources. At the same time preferential lending to private farms is leading to a situation whereby they take land only because they receive preferential credits with the aim of using them for commercial purposes. In one Ulyanovsk Oblast rayon alone only 20 out of 180 private farms are producing agricultural products.

Sometimes financial resources allocated from the budget for the development of private farming are being put into the incorporation capital of various commercial

structures or into deposit accounts. For example, around R70 million intended for private farms spent 1994 motionless in the account of Tambov Joint-Stock Commercial Mortgage Bank. This sum had been transferred from the account of the oblast association of private farms, the bank's founder, whose incorporation deposit totals R50 million.

Audits also showed that commercial banks and Bank of Russia main regional administrations have practically failed to exercise control over the issue of preferential credits. Contrary to credit regulations they have been issued to construction organizations, supply and trade bases, commercial and private enterprises, industrial enterprises' subsidiary farms, and stores. Such cases have been established in the Udmurt Republic, the Republics of North Ossetia and Mari El, and Moscow, Amur, and Volgograd Oblasts.

In Kostroma, Saratov, Kemerovo, Magadan, Smolensk, Tver, Kaluga, Arkhangelsk, and Volgograd Oblasts, in the Republics of Buryatia and Komi, and in other regions instances were revealed of preferential credit resources' being diverted for commercial purposes, the purchase of light automobiles, domestic gas stoves, refrigerators, televisions, and buildings, and other purposes not connected with agricultural production.

3. Loans Not Repaid to the Treasury

The failure to repay credit funds allocated on a repayment basis and the nonpayment of interest on them constitute a serious problem. The deadline for repaying budget funds for the purchase of agricultural products in 1994 has been deferred until September-November this year, which makes it impossible to use them to make advance payments for the new harvest and allows them to be used for other purposes. A mechanism for repaying funds has not been worked out either. Thus, as of 1 May this year, the repayment schedules had been only 78 percent fulfilled.

The question of the repayment of loans issued to the "Roskheleboprodukt" joint-stock company in 1993-1994 for the purchase of grain for the federal stock remains unresolved. Up to 50 percent of funds have been "frozen" in grain reserves and nonpayment for combined feed that has been delivered.

Keeping back money in their own accounts instead of paying it back not only hinders the fulfillment of the federal budget's income element but also enables certain local leaders to pursue a "farsighted" agricultural and food policy — to lower the prices of basic food products in their own region. A direct dependence was discovered between regions' level of indebtedness to "Roskheleboprodukt" joint-stock company enterprises

and the retail price of bread. Such populist measures are causing tangible material harm and will entail negative consequences of a social nature.

For a long time the agro-industrial complex has — and judging from this audit not without reason — been stuck with the reputation of being a black hole. It has been ascertained that it is not only a matter of agriculture's low efficiency but also of the lack of an effective credit mechanism and of the current practice of giving subsidies to local budgets, which makes it possible to use funds for any other needs except those of peasants. Weak Russian Federation Central Bank control over the activities of the commercial banks authorized to transfer state funds to peasants is allowing bankers to make huge profits literally out of thin air and to use them not only for personal enrichment but even for election campaign purposes — and quite possibly for funding Agrarian Party activities. Because its congresses costing many millions are not staged from the contributions of milkmaids and expert machine operators, who frequently go without wages. The peasants' money is working for officials, politicians, bankers, and businessman.

There is a long-overdue need for a law "On State Financial Control." In the opinion of the Presidential Control Administration, the formation of a Council for State Financial Control under the Russian Federation Government and a centralized system of federal treasury organs would help to impose order in the use of budget funds for the countryside.

The contract system of grain deliveries on credits against goods must be put under the control of a state organ while an open grain market is developed with such elements as privatized elevators and grain exchanges, so that regions do not demand grain deliveries and money to purchase grain from the center but solve the grain supply problem by market means.

Budgetary support for the countryside will persist, but the burden of this millstone around the state's — taxpayers' — neck could become lighter.

Text of Decree on IBRD Loan Agreement

MM1207083095 Moscow ROSSIYSKAYA GAZETA
First Edition in Russian 11 Jul 95 p 6

[Russian Federation Government Decree No. 654, signed by Premier Chernomyrdin and dated 29 June 1995, "On the Signing of an Agreement Between the Russian Federation and the International Bank for Reconstruction and Development on the Second Rehabilitation Loan"]

[FBIS Translated Text] The Russian Federation Government decrees that:

1. The Russian Federation Finance Ministry proposal, coordinated with the Russian Federation Ministry of Economics, on the signing of the agreement between the Russian Federation and International Bank for Reconstruction and Development (IBRD) on the second rehabilitation loan of \$600 million to finance import purchases aimed at supporting the Russian program of macroeconomic stabilization and structural transformation is hereby accepted.

The draft preliminary agreement with the IBRD is approved.

The Russian Federation Finance Ministry shall be permitted, by agreement with the relevant federal executive organs, to make changes and additions to the agreement that are not of a fundamental nature.

The Russian Federation ambassador to the United States or his representative shall be instructed to sign the said agreement on behalf of the Russian Federation once agreement has been reached with the IBRD.

2. Once the agreement referred to in Paragraph 1 of this decree has been signed, the Russian Federation Finance Ministry, in conjunction with the Russian Federation Ministry of Economics, the Russian Federation Ministry of Justice, and other interested federal executive organs, shall ensure implementation of the measures required for the agreement to come into force, and shall submit corresponding proposals to the Russian Federation Government.

3. The Russian Federation Finance Ministry, in conjunction with the Central Bank of the Russian Federation, shall draw up and sign agreement between the Russian Federation Finance Ministry and the Central Bank of the Russian Federation on the procedure for utilizing the funds made available in the second IBRD rehabilitation loan.

[Signed] V. Chernomyrdin, chairman of the Russian Federation Government

[Dated] 29 June 1995, Moscow, No. 654

Government Discusses Flight From Dollar

MM0707131995 Moscow ROSSIYSKAYA GAZETA
in Russian 7 Jul 95 First Edition p 1

[Report by Vladimir Kucherenko: "Course Toward tough Policy; Russian Government 6 July Session Marked by Premier V. Chernomyrdin's Statement on His Cabinet's Immediate Tasks"]

[FBIS Translated Text] "In April alone, Russian currency rose almost 10 percent against the dollar. In May and June this tendency persisted. I shall be frank: The

dollar could fall even lower if the Bank of Russia had not made large-scale interventions, buying up dollars and dumping rubles on the currency market," the head of government says.

The process of the flight from the "greenback" and the strengthening of the ruble is still far from ideal and so it must be put under control. After all, one of the main problems has been the relatively high inflation expectations. The flight from the dollar is inevitably accompanied by an increase in the money mass. Although the pace of its growth over the six months has been two thirds of last year's level, the situation is still complex.

According to the head of government many problems remain. Above all the unconditional execution of the federal budget. Here specific turns for the better have emerged. But a number of additional sources on the basis of the results of the first half of the year have been "lost": Revenue from privatization, from import duty, and so forth.

Recently, V.S. Chernomyrdin continued, we adopted the government decree "on priority measures to strengthen the revenue part of the federal budget and improve the activity of the tax organs." The president was sent a draft edict on the same issue.

We must also pay attention to the expenditure policy, stepping up control over the targeted use of the money assigned. The results of government sessions on the results of checks by the Ministry of Finance control and auditing administration have shown that many departments and regions are failing to play due attention to this. A graphic example is the squandering of the funds issued to the agrarian sector.

An important role in strengthening the ruble exchange rate should be played by the Bank of Russia's consistent policy to observe the fundamental indicators of this year's monetary program. The government in conjunction with the Central Bank must elaborate and begin to implement new measures in the field of budget, monetary and credit, and currency policy aimed at the further stabilization and radical reduction of inflation in the second half of the year.

The same session examined in detail the results of the work of the Russian Federation state customs committee in recent years and measures to improve its activity. It also discussed and approved draft federal laws "on the destruction of chemical weapons" and "on the introduction of changes and additions to the Russian Soviet Federated Socialist Republic law 'on freedom of religion.'" The plan for Russian federation Government sessions for the second half of 1995 was also adopted.

Central Bank's Paramonova Cited on Budget Deficit

MK1207084095 Moscow *SEGODNYA* in Russian
12 Jul 95 p 2

[Report by Mikhail Lantsman under the "Alibi" rubric: "Tatyana Paramonova Voices Concern at the State of the Budget. Central Bank 'Cannot Solve All Problems on Its Own'"]

[FBIS Translated Text] Acting Central Bank Chairman Tatyana Paramonova voiced serious concern yesterday at the state of the federal budget. As she put it, stabilization in Russia cannot be built using monetary methods alone, for which reason the Central Bank cannot solve all the problems of the economy on its own. An interview granted to ITAR-TASS by the temporary head of the Central Bank contained an indirect charge aimed at government departments in charge of employment, pricing, labor productivity, and wages.

In the meantime, Paramonova said, the Central Bank, in a bid to bring down the level of inflation, will continue to control the supply of money in the country using tough methods and to promote the strengthening of the national currency. In this connection, Paramonova spoke categorically against issuing "empty" money to cover the budget deficit. She made a point that the funding of the agrarian sector and the provision of goods for northern territories should be effected on the national level.

Judging by what Paramonova said, the Central Bank leadership intends to take a number of measures soon to use citizens' deposits to service the budget deficit. For example, an instruction will be approved soon on investments in commercial banks. The instruction elaborates on a mechanism for attracting the population's deposits on security of state short-term bonds.

The acting Central Bank head announced that one of the series of measures aimed at tightening financial discipline will be the implementation in the near future of a new instruction concerning a limit on an open foreign currency position (norms of insurance of foreign currency reserves of commercial banks) which aims, according to her, at limiting foreign currency risks on the interbank market.

Analyzing the Central Bank's measures aimed at the normalization of finances, Andrey Illarionov, director of the independent Institute of Economic Analysis, charged its leadership with the concealed issue of money using massive ruble interventions at the stock exchange. According to the Economic Analysis Institute, the money supply in June grew by 15 percent. However,

Illarionov thinks, the Central Bank leadership has been remarkably successful in concealing information on the dynamics of change in the money supply.

Paramonova's publicly voiced concern at the current state of the federal budget is an apparent move to secure an alibi in case the policy of financial stabilization fails after 1 October. Boris Fedorov, a former finance minister of Russia, remarked recently that if there is a clear flop, First Vice Premier Anatoliy Chubays has the role of the main scapegoat cut out for himself. However, as the "Black Tuesday" experience showed, the supreme authority in Russia prefers to have on hand at least two or three "goats," if not a herd. Incidentally, according to Fedorov's, the Central Bank leadership is not exactly delighted at the introduction of the pegged ruble hard-currency rate, and it had to do it under government pressure.

Bank Chief Speaks on Exchange Rate, Investment
MM1207083495 Moscow ROSSIYSKAYA GAZETA
First Edition in Russian 11 Jul 95 p 1

[Report by A. Yevgenyev: "Exchange Rate Band Is Not Our Invention"]

[FBIS Translated Text] The idea of introducing an exchange rate band in Russia — restrictions on fluctuations in the ruble rate of exchange — came from Tatyana Paramonova, acting chairman of the Central Bank of Russia [CBR] Board, and Aleksandr Potemkin, director of the CBR Foreign Operations Department. Paramonova herself told journalists this at a news conference devoted to problems of monetary policy.

According to the leader of the CBR, this innovation was worked out late last year, but the far from favorable economic situation characterized by high inflation and the fairly meager currency reserves at the time robbed them of an opportunity to implement the plan. It was only in July that the whole range of conditions developed — from a slowdown in the rise in domestic prices to the state of the country's balance of payments — making it possible to announce the introduction of the exchange rate band.

This was preceded, inter alia, by Paramonova's meetings with representatives of industry who, for their part, have repeatedly said that they are worried less about the movement in the rate of exchange and its specific level as by the unpredictability of the money market itself. The aim of the CBR decision is to provide them with at least some points of reference. "I do not know who might lose out as a result," Paramonova said when asked about the possible adverse consequences of this move. At the same time she resolutely refused to describe the CBR's act as the fixing of the exchange rate range —

that means rigidly setting the exchange rate at a certain level. We are talking about an upper and lower limit for exchange rate fluctuations. This is by no means a Russian invention. Mexico, Israel, Poland, and a number of other countries do something similar now.

Paramonova stressed that in order to carry out their commitments the CBR and the Finance Ministry must take certain urgent steps in the sphere of monetary-credit and tax-budget policy. Primarily complete the formulation of recommendations for commercial banks regarding the possibility of their receiving the population's inflation-proofed investment deposits. Furthermore, in order to reduce the risks on the money market it is necessary to establish new rules for holding open currency positions for banks, which will make it easy for the CBR to supervise currency operations.

A special role is allocated to the budget. "The budget component was and remains potentially dangerous for all monetary and credit policy," Paramonova said. "But if the Finance Ministry is able to ensure the collection of revenue and implements spending at the prescribed level — and we are counting on that — our efforts in the field of monetary policy will receive the proper support."

Tatyana Paramonova also promised to take steps to increase commercial banks' interest in providing long-term loans for industry. In her opinion, the CBR has in principle already created a resource base for this by granting concessions to structures providing long-term loans by remitting money into the reserve fund. However, many commercial banks have only increased the credit periods in their reports and are still using money primarily in short-term speculative operations — which naturally cannot be any good for Russian industry or the current CBR leadership.

Government 'Expert' on Financial Stabilization
MK1207100995 Moscow KOMMERSANT-DAILY
in Russian 12 Jul 95 p 3

[Report by Andrey Serov: "Hard Currency Tunnel Through the Eyes of Official Science. A Government Expert Sees Light at the End of the Tunnel"]

[FBIS Translated Text] Sergey Pavlenko, head of the Working Center of Economic Reforms under the Russian Government, has added his voice to the chorus of optimists who are confident of the triumph of financial stabilization. Remarkably, the government economic expert is the first official to try to specify measures designed to continue the policy restricting fluctuation of the ruble rate against the dollar and which can be in effect in the period after 1 October. He stated at yesterday's press conference that an announcement on the

setting of a new band of fluctuation of the rate is supposed to be made before the end of August.

Until recently, the government and the Central Bank were coming up with rather vague assessments of possible developments after 1 October when the current ruble peg is no longer in force. For example, acting Central Bank Chairman Tatyana Paramonova said on 5 July the corridor's future would depend on the monetary and economic situation prevailing as of 1 October. Now that the restrained reaction of the Moscow Interregional Currency Exchange to the pegging of the ruble rate has become obvious, government experts can afford to make more confident forecasts. For example, Sergey Pavlenko expects a new peg which will be perhaps half as narrow as the one now in effect. The current fluctuation band, he thinks, is not sufficiently tough. Generally, the head of the economic reforms center thinks, the corridor could also remain in operation until 15 February 1996. He now sees this date as the deadline for the next peg.

The substantial size of the Central Bank's hard currency and gold reserves and the government's tough financial policy instill confidence in the government expert in the success of the ruble rate stabilization. According to a "Review of the Russian Economy" for June submitted by the Working Center, hard currency reserves now stand at about \$10 billion and gold reserves at 2.3 billion. Given a ruble monetary base of 54 trillion rubles [R] (\$12.4 billion), the gold-and-hard-currency reserves should be sufficient in the event of "fleeing from the ruble." The monetary program, according to the government expert, is being successfully implemented, and the budget deficit figures are inside the agreed limits for the first half year (R26.8 trillion in June — 4.3 percent of the GDP given the limit of R31.2 trillion).

Mr. Pavlenko is worried about inflation. In June it stayed at a relatively high level of 6.7 percent (7.9 percent in May). This figure precisely matches the average monthly growth rate of the money supply over the last quarter of last year, and the lag between the price growth and the previous increase in the money supply is approximately seven months. Therefore, Sergey Pavlenko thinks, it is necessary in the future to take into account the aftermath of the sharp increase in the growth rate of the money supply that occurred this past March when the Central Bank resorted to issuing more money in order to buy dollars that were going down in value. If there is a steady increase in the demand for rubles, the money circulation speed should decrease, he believes. This is indeed taking place: Since March the speed of the ruble circulation has been falling at the rate of 3 percent a month and it has now reached an indicator of 0.8 times a month (nearly twice as fast as in the countries of Eastern Europe). Formally, this should lead to a

reduced demand for money in circulation. Nevertheless, if the Central Bank is forced to continue to buy dollars, it will, Sergey Pavlenko thinks, have to also arrange for sterilization of the ruble supply through selling government securities.

Center for Investment Promotion Revamped

MM1207084695 Moscow ROSSIYSKIYE VESTI
in Russian 11 Jul 95 p 1

[Unattributed report under the "Corridors of Power" rubric: "Reorganization. Official Responsible for Russia's Image Appointed"]

[FBIS Translated Text] The tasks of "effective interaction on information and consultation between potential foreign investors and Russian organizations and the formation of an attractive image of Russia in the world capital markets" are to be resolved henceforth by the State Information Center to Promote Investments. In this connection the government has adopted a decision to transform the center into the Economy Ministry Russian Center for the Promotion of Foreign Investments. The center's additional tasks include marketing federal and regional investment programs and projects abroad and elaborating and implementing an advertising strategy.

First Quarter Trade Figures Reported

MM1207092195 Moscow SOVETSKAYA ROSSIYA
in Russian 11 Jul 95 p 1

["Parliamentary Diary" by Vladimir Isakov: "Change for Change's Sake"]

[FBIS Translated Excerpt] [passage omitted]

We Won't Be Happy Until We've Wrecked the Joint

Politics has its "seasons": Spring is a time of promises; summer, a period of bright hopes; fall, the season of mushroom picking and unkept promises; and winter, the time when politicians usually say nothing as they prepare for the spring ahead. Keeping strictly to the calendar, the government had been fostering hopes of an incipient "stabilization," an approaching "recovery," and a "prosperity" that draws nearer with each passing day.

Then the statistics on the first-quarter results arrived, and little remained of the bright hopes.

Russia's foreign trade results in the first quarter show that its main economic partners are now the industrially developed capitalist countries, which account for 51 percent of the trade turnover, while the countries of

Central and East Europe account for 26 percent and the CIS countries 21 percent.

In trade with the countries of the wider world the structure of Russian exports is clearly biased toward raw materials. The main export items came from the fuel and energy complex (oil, coal, and gas), where exports were up by 33.5 percent. The export of chemical products (organic substances and fertilizers) doubled. Exports of timber and paper and pulp products doubled.... During the period under review the country exported around 40 percent of the oil extracted, 10 percent of the gasoline, 30-32 percent of the diesel fuel, 25 percent of the fuel oil, 80 percent of the aluminum, and 21-22 percent of its commercial timber.... Russia, whose soil fertility is rapidly declining, contrived to export around 80 percent of the country's output of fertilizers!

Food remained the leading Russian import item (along with machinery and equipment). In terms of total commodity resources imports accounted for 28 percent of meat and meat products (last year it was 19 percent). For milk and dairy products the figure was 22 percent (last year's figure was 10 percent). Meanwhile, food bought abroad was considerably more expensive than food bought from domestic commodity producers — meat, for instance, was almost twice as dear (the figures were cited at a Federation Council session).

At the same time, the destruction of domestic commodity producers continued at an ever-increasing pace. The production of meat and livestock in January-May this year fell by 17 percent (last year's figure was 9 percent) while milk production fell by 14 percent (as against 9 percent). Russia has become firmly dependent on the West for food.

Trade with the CIS countries is experiencing major difficulties. Russian exports in the first quarter expressed in cost price terms were \$3.5 billion whereas imports amounted to \$2.2 billion. Energy sources accounted for 54.2 percent of the export to those countries and were sold at prices considerably below the world level. Oil was sold to Ukraine, for example, at \$60 a tonne while Belarus was charged \$64 a tonne as against a world price of over \$120 a tonne for comparable grades of oil. But even on these terms, which are highly advantageous to our trading partners, Russia had a balance of payments surplus with Ukraine and Belarus of \$709 million and \$581 million respectively, which means that in effect it was loaning them that money.

We won't be happy until we've wrecked the joint...
[passage omitted]

First Quarter Exports to U.S. Grow 132 Percent

*MK1207070095 Moscow KOMMERSANT-DAILY
in Russian 11 Jul 95 p 3*

[Unattributed report in the "Records" column: "Russian Exports to the United States Grow Unprecedentedly Fast"]

[FBIS Translated Text] This is shown by figures given in the INTERFLO [name as transliterated] bulletin. In the first quarter of this year, Russian exports to the United States grew by 132 percent compared with the same period last year, amounting to \$1.2 billion. U.S. exports during the same period amounted to \$573.6 million, which is only 9 percent more than the same period last year.

Gradual Slowdown in Inflation Seen

*MM1107152795 Moscow SELSKAYA ZHIZN
in Russian 11 Jul 95 p 2*

[Unattributed report under the "News of the Life of Society" rubric: "Summer Is Upon Us: Vegetables Are... Going Up in Price"]

[FBIS Translated Text] According to figures from the Russian Federation Government Center for Economic Conditions, June witnessed a gradual slowing down of inflationary processes, recording the lowest rate of inflation this year. Compared with May, foods were 7.6 percent more expensive while noncomestibles went up in price by 4.6 percent. Paid services to the population showed the highest price increase, at 8.7 percent. Since the start of the year charges for housing and utilities have trebled, which includes a fivefold increase in the charge for gas supply. Fares have gone up, suburban train fares increasing by 170 percent, while postal communication charges have increased by 140 percent.

Summer is at its height, but this is the third month now to record an increase in prices for fruit and vegetables. At the end of June vegetables were 26 percent more expensive than in May, while potatoes were 18 percent more expensive, and fruit 8 percent.

Energy Prices Up, Output Down in First Half

*MM1107152395 Moscow RABOCHAYA TRIBUNA
in Russian 11 Jul 95 p 2*

[BIZNES-TASS report: "Big Bill"]

[FBIS Translated Text] Prices in the fuel industry increased by 130 percent in the first half-year. In particular, prices were up by 140 percent in the oil refining sector, 120 percent in the oil drilling sector, and 110 percent in the coal sector. BIZNES-TASS was

told this yesterday by the Russian Federation State Committee for Statistics.

At the end of June average prices per tonne for certain types of energy resources were as follows: 217,000 rubles [R] for oil, R68,000 for coal, R616,000 for gasoline, R540,000 for diesel, and R251,000 for furnace oil. The consumer tariff for electricity averaged R119,000 per 1,000 kilowatt-hours.

In the first half-year on average 3.6 percent fewer energy resources were produced compared with January-June 1994.

Some 3 percent less electricity was generated compared with the same time last year, while production of oil (including gas condensate) was 2 percent down.

International Affairs

Kuchma, Turkmen Envoy Discuss Resuming Ties

LD1107200795 Moscow INTERFAX in English
1615 GMT 11 Jul 95

["INTERFAX-UKRAINE" news item]

[FBIS Transcribed Text] Kiev, July 11 (Interfax - Ukraine) — President Leonid Kuchma of Ukraine discussed on Tuesday the issue of restoring the previous and establishing new economic and cultural relations between the two countries in the course of his meeting with Turkmenistan's Ambassador to Ukraine Nadirmamed Alovov.

As Interfax - Ukraine was told by deputy head of the presidential press service Andrey Chirva, in the course of the meeting, among other issues, the possibility of training personnel for Turkmenistan in Ukrainian educational institutions was discussed.

The parties also discussed possible cooperation in the field of health care.

Alovov expressed the wish that within the framework of bilateral cooperation Ukraine should render aid to Turkmenistan in solving the problem of land amelioration.

Interparliamentary Commission With PRC Begins Work

LD1107220295 Kiev Radio Ukraine World Service
in Ukrainian 1900 GMT 11 Jul 95

[FBIS Translated Text] The Supreme Council of Ukraine commission for Ukrainian-Chinese interparliamentary relations held its first meeting in Kiev on 11 July. Mykhaylo Pavlovskyy, the chairman of the nuclear policy and nuclear safety parliamentary committee and official in charge of the body, said that its main task was to lay a legislative foundation of further Ukrainian-Chinese relations capitalizing on their good prospects.

'Comprehensive' Treaty With Belarus Foreseen

LD1107184895 Moscow INTERFAX in English
1434 GMT 11 Jul 95

["INTERFAX-UKRAINE" news item]

[FBIS Transcribed Text] MINSK, July 11 (Interfax-West) — During the two-day visit of Ukrainian President Leonid Kuchma to Belarus that starts Thursday, July 13, a comprehensive friendship and cooperation treaty is to be signed, Ukrainian ambassador to Belarus Vladimir Zheliba told Interfax.

In his words, not only will the treaty dictate the nature of future Ukrainian-Belarusian relations, but it will also consolidate the legal frame of bilateral relations.

Zheliba said that agreements on the social protection of Ukrainians working in Belarus and Belarusians working in Ukraine, on cooperation in health protection and exchange of flats or houses will also be signed.

Kuchma is scheduled to meet with Ukrainian and Belarusian business people and to have a talk with representatives of the Ukrainian diaspora in Belarus.

Zheliba said that the official talks will cover customs and border relations which "make a lot of trouble for the citizens of the two republics." He added, however, that the signing of an agreement on simplifying the border crossing procedures has been postponed.

Zheliba believes that the true scale of Ukrainian-Belarusian cooperation is generally underestimated. According to official statistics, with \$1 billion worth of trade turnover with Belarus Ukraine is second only to Russia in the volume of Belarusian foreign trade. It accounts for 11.3% of the total. Economists predict that this fraction will double before the end of the year.

National Affairs

Parliament To Meet 'Despite' Marchuk Plea

WS1207100995 Kiev INTELNEWS in English
2305 GMT 11 Jul 95

["Special to INTELNEWS" by Oksana Hasiuk]

[FBIS Transcribed Text] Kiev, July 11 — Despite a last minute plea for its postponement by Prime Minister Yevhen Marchuk, Ukraine's Parliament is to hold its first monthly "government day" Wednesday, little more than a week after most of the new Cabinet of Ministers was appointed by President Leonid Kuchma.

According to Parliament Speaker Oleksandr Moroz, Prime Minister Yevhen Marchuk and all newly appointed Cabinet members are going to participate in Wednesday's session, in which they will present a broad outline of their program.

A more detailed presentation of the new government's program will be presented and debated in September, according to presidential administration officials.

According to the parliamentary agenda, specific items to be discussed during government day include the 1995 harvest, changes to the pension law and compensation of Ukrainians whose savings were lost to inflation.

Acting First Deputy Prime Minister Viktor Pynzenyk, who has not yet gained an official appointment in the new Cabinet, participated in Monday's Parliament Presidium meeting in which the agenda was discussed.

The president said Saturday that Pynzenyk will soon be appointed deputy prime minister for economic reform, even though he has not yet agreed to the appointment.

Political analysts say that Pynzenyk may be appointed the head of a Supreme Economic Council for drafting economic laws, but a source in the presidential administration said that the president is going to head the council together with the speaker. The prime minister and key cabinet members are also to be included.

Parliament will also hold a morning session for consideration of Ukraine's compliance with the United Nation's Convention on liquidation of all forms of discrimination against women. Foreign guests have been invited to participate. Moroz said the president would also take part.

Cabinet Approves Resolution on Development Program

LD1107165795 Kiev UNIAN in Ukrainian
1205 GMT 11 Jul 95

[FBIS Translated Text] Kiev [no date as received] — The Ukrainian Cabinet of Ministers has published a resolution titled "On the Draft State Program of Ukraine's Economic and Social Development in 1995." The resolution approves the allocation of centralized capital investment, a list of top construction projects for industrial and environmental facilities, the timetable for the commissioning of educational and leisure facilities, and state procurement order schedules.

With regard to proposed adjustments to the 1995 state budget based on its implementation in the first half of the year, the Ministry of Finance is instructed to envisage an increase in expenditure to finance centralized state capital investment and state procurement orders in accordance with the rate of price rises.

Parliament Passes Corruption Law; Details Provided

LD1107195895 Kiev UNIAN in Ukrainian
1500 GMT 11 Jul 95

[FBIS Translated Text] Kiev [no date as received] — The Supreme Council of Ukraine has passed on the second reading the Law "On Fighting Corruption," with the few articles that deal with liability for the perpetration of actions associated with corruption left out for a third reading.

The law gives the definition of corruption as such activity by the individuals authorized to perform the functions of the state that aims to use against the law the powers vested in them, in order to gain material benefit, services, concessions, or other advantages.

The law concerns Ukrainian and Crimean civil servants and parliament members, and local council deputies and chairmen, who, under the law, are administratively and disciplinarily liable for any act of corruption. Questions of criminal, civil, and material liability are to be settled by the court.

The law also envisages some preventive measures, such as, in particular, special restrictions applied to the above category of individuals. They cannot engage in entrepreneurial activity either personally or via intermediaries. Nor can they sponsor such activity or be a member of the board of commercial or financial organizations. They are also to declare their incomes.

Kuchma Appeals for 'Breakthrough' in Food Stocks

LD1107191595 Moscow INTERFAX in English
1538 GMT 11 Jul 95

[From the "Presidential Bulletin" feature: No. 129 (873); Compiled by Nikolay Zherebtsov and Andrey Petrovskiy; edited by Vladimir Shishlin]

[FBIS Transcribed Text] President Leonid Kuchma has called on the nation to do its best to build up maximum food stocks in Ukraine by using its financial, material and human resources.

In an appeal made available to Interfax Tuesday, the president said the farmers could help make a breakthrough in food supplies this year.

Despite adverse weather conditions this spring, says the appeal, the planting of crops went off in a normal way. Kuchma called on farmers to do their utmost at the final stage of the harvesting season to take in good crops, ensure ample fodder supply and prepare the soil for winter crops.

He said the farmers were the salt of the earth and a pillar of the country's political and economic stability.

"Bread and independence are directly-linked synonyms", Kuchma believes.

The appeal says the future of Ukrainian statehood, democratic and market reforms is hinged on this year's crops.

The president pledged to do whatever was possible to resolve social and economic problems in the countryside including a shortage of new technologies, material and financial resources.

He said the farmers would get enough fuel, lubricants, spare parts and equipment during the harvesting season.

President Kuchma Appoints Regional Heads

LD1107195095 Kiev UT-1 Television Network in Ukrainian 1600 GMT 11 Jul 95

[No video available]

[FBIS Translated Text] By his edicts, Ukrainian President Leonid Kuchma has appointed Leonid Kosakivskyy as head of the city of Kiev state administration; Petro Shapoval, the Chernigov region state administration; Mykola Melnyk, the Vinnitsa region state administration; Serhiy Ustych, the Transcarpathian region state administration; and Stepan Volkovetskyy, the Ivano-Frankovsk region state administration.

Composition of New Crimean Presidium Detailed

WS1207094195 Kiev INTELNEWS in English 2305 GMT 11 Jul 95

["Special to INTELNEWS" by Lilia Budjurova]

[FBIS Transcribed Text] Simferopol, July 11 — A new Crimean Parliament Presidium was elected 6 p.m. Tuesday after a week of consultations among factions and three votes.

As a result, the new Crimean Parliament leadership consists of four representatives of the Rossiya faction, three members of the Rossiya-Unity faction, two Reforms members, one representative from Respublika, two from Kurultay, one Agrarian, and two non-aligned deputies.

Rossiya faction leader Yuriy Podkopayev was elected deputy speaker. Other deputy speakers include Anushevan Danelian, one of the leaders of the Reforms faction, and Kurultay faction leader Refat Chubarov.

The regional legislature had chosen Yevheniy Suprunyuk, an Agrarian, its speaker one day after the forced resignation of Sergei Tsekov.

The Presidium members include:

Rossiya faction: Mikhail Bystrov, Yevgeniy Melnik and Gennadiy Reshetnikov.

Rossiya-Unity faction: Alexander Frolov, Yuriy Zorinov and Vitaliy Rudakov.

Reforms faction: Anatoliy Gritsenko.

Respublika faction: Yuriy Kochegarov and Mikhail Bakharev.

Agrarian faction: Yuriy Seliukh

The Respublika faction protested the election of Kochegarov, claiming that his nomination had not been coordinated with the faction.

Leaders of the opposition — Danelian and Chubarov — will jointly handle issues related to contacts with

the government and the organization of parliamentary debates.

Crimean Leader Comments on Chances to Improve Ties

LD0707204795 Moscow ITAR-TASS in English 2036 GMT 7 Jul 95

[By Sergey Pavliv]

[FBIS Transcribed Text] Simferopol, July 8 (Itar-Tass) — The Crimean parliament has all opportunities to normalise relations between Simferopol and Kiev and find common views on political, economic and public issues of the development of the autonomy, leader of the Ukrainian Civil Congress of Crimea Vladislav Yermakov said.

Ukrainian organisations and parties in Crimea expressed satisfaction with the appointment of Yevgeniy Suprunyuk Chairman of the Crimean parliament. Thus, political games and anti-Ukrainian attacks should be stopped in the parliament, Yermakov told Ukrinform. He hopes that the new leadership of the Crimean parliament and the executive bodies of power will do its best to improve the economic and political situation on the peninsula.

Council Deputy Details Constitutional Agreement

WS1107135195 Kiev KIYEVSKIYE VEDOMOSTI in Russian 7 Jul 95 p 3

[Interview with People's Deputy Serhiy Holovatyy, president of the Ukrainian Lawyers Foundation, by Maryana Oliynyk; place and date not given: "Serhiy Holovatyy: 'The Constitutional Accord Is Not Peace Yet, It Is a Truce'" — first two paragraphs are KIYEVSKIYE VEDOMOSTI introduction]

[FBIS Translated Text] The concept to the effect that signing a constitutional accord between the three branches of power was a genuine opportunity to avoid the Moscow-type developments that took place in October 1993, put forward by People's Deputy Serhiy Holovatyy, president of the Ukrainian Lawyers Foundation, was first made public by KIYEVSKIYE VEDOMOSTI on 25 November last year. Over six months, Serhiy Holovatyy actively indoctrinated this concept, enthusiastically supported by Constitutional Court Chairman Leonid Fedorovych Yuzkov, one of the most authoritative experts on constitutional law, into the minds of his countrymen. He delivered two reports on this concept at the "Democracy Through Law" European Council Commission held in Venice. The first report was scheduled for 3 March, and both Serhiy Holovatyy and Leonid Yuzkov were to go to Venice, but Leonid Fedorovych died on 2 March.

We have recently witnessed how the proposal to sign a constitutional accord was implemented. What will come next? We asked Serhiy Holovaty.

[Holovaty] Ukraine was brought into a stalemate back in October last year: A renewed legislature could not adopt a new constitution, because it was understaffed and its "left-wing trend" was strengthened considerably. The constitutional "Law on State Power and Local Self-Government in Ukraine" could not win the two-third vote required for its adoption. A way out had to be found, but it had to differ from Russia's option (the deputies were shot), or from the Belarus's one (the president dissolved the legislature), or from the Kazakhstan option (it was the Constitutional Court that dissolved the legislature), and so on.

The history of constitutional law has examples when societies at specific stages of their development — undergoing an extremely profound crisis — used such methods as concluding accords between conflicting parties. As a result of a compromise between a monarch with unlimited power and an emerging parliament, the Magna Carta was adopted in Great Britain. The confrontation between the king and the parliament in Sweden also resulted in the signing of an accord. The status of postwar Austria was specified in a peculiar constitutional accord, and so on.

The signing of such an accord, however, is a unique development for the post-communist countries. When Ukraine signed its accord, it considerably strengthened its rating among the members of the international community.

[Oliynyk] You repeatedly stated that the signing of an accord should be between the three branches of power — legislative, executive, and judicial — but in March of this year you mentioned only two branches. Why?

[Holovaty] First of all, the judicial power in Ukraine has not become independent. A judicial reform promoting the establishment of a single system of judicial power has not been implemented. Second, the judicial power has not participated in the conflicts between the executive and legislative branches. Its involvement in the constitutional accord would imply its artificial politicalization and involvement in this conflict.

In addition, it was very important for me — as an author of the concept — to prove the constitutional and legal nature of this path. Exactly due to this the preamble of this accord states that it was concluded between the subjects of constitutional law that obtained their powers directly from the people. The president and the Supreme Council are such subjects. It is up to them to agree on

the conditions for their further coexistence against the background of the crisis. On the other hand, no one else can change the constitutional system, but it should be changed, because the acting Constitution adopted by the seventh session of the ninth Supreme Council of the Ukrainian Soviet Socialist Republic [UkrSSR] on 20 April 1978 was not adopted as a constitution of an independent state!

The comparison shows that nothing but the articles of the Law on Power reflect the realities of the constitutional system now being established in Ukraine, which is typical for all democratic states. Let us also recall that a simple deputies' majority — 220 — voted for the Law on Legacy [zakon o pravonasledii] adopted by the Ukrainian Supreme Council on 12 September 1991. The same refers to the adoption of the Law on Power on 18 May 1995. The law postulated that the Constitution of the UkrSSR was introduced into a system of legal acts specifying the constitutional system of independent Ukraine. Well, which of two laws — the 1978 Constitution or the Law on Power — is "more powerful" and more "constitutional?"

To avoid disagreements between these two equally important acts, to introduce the Law on Power into the system of basic legal acts specifying the constitutional system of our state, the president and the legislature — as the preamble of this accord states — "based on goodwill and mutual concessions," agreed that the "Law on State Power and Local Self-Government in Ukraine" will be valid until a new constitution is adopted, that tenets of the current Constitution are legal to the extent they correspond to the current Constitutional Accord. In addition, their goodwill also reflects the constitutional nature of the process, which only left- and right-wing extremists would call a coup.

[Oliynyk] Can one state now that the "i's" have been dotted and the "t's" crossed in the conflict between two branches of power?

[Holovaty] No. I would call this accord a truce. But you know how much it cost. The most important thing now is to turn this truce into a stable peace. Peace will come to Ukraine when a new constitution is adopted. It will become legal if it is adopted at a referendum to which the parties — this is also stipulated by the Constitutional Accord — will put forward a coordinated text of a new constitution. This should take place no later than in a year.

Kharkov Mayor on Economic, Administrative Reforms

WS1007093195 Kharkov SLOBIDSKYY KRAY
in Ukrainian 29 Jun 95 p 2

[Report by L. Sukhina: "It Is Difficult, But There Are No Surprises"]

[FBIS Translated Text] **Kharkov City Council Chairman Yevhen Kushnaryov met with representatives of the media on the first anniversary of the city's authorities. It was one of the most significant news conferences.**

In the opinion of Yevhen Kushnaryov, the past year has brought no surprises. The most important events were foreseen in his election program. We are merely surviving, since the economic decline is continuing in both our country and the city, and the situation is being exacerbated by tensions among the top echelons of power, or, to put it more simply, by "settling accounts at the top."

All this is making the local authorities curtail the city's development programs to support people who virtually cannot afford a dinner.

As was emphasized at the news conference, regardless of the overall critical situation in the country, the local self-government bodies have managed to control the situation. The most significant political achievement is the fact that the Kharkov self-government bodies can serve as an example of local administration. Over the last year, the ties with the oblast's leadership have been strengthened. There are two examples of such cooperation — putting into operation the first part of the Kharkov subway's third line and the neonatal hospital for children in Saltivka. Yevhen Kushnaryov described this stage of cooperation with the oblast administration as business-like cooperation for the benefit of Kharkov and Kharkov Oblast residents. And this is natural. The leaders of Kharkov and Kharkov Oblast were elected by the same electorate, and they should thus serve this electorate jointly. The authorities' joint and coordinated actions have produced important results. For example, the Kharkov Executive Committee, the Kharkov turbine plant, and Romania have signed an agreement, according to which the turbine plant will deliver a turbine to Romania in exchange for 28 trolley buses, which, in turn, will be bought by the City Executive Committee and the Oblast Executive Committee for use in Kharkov.

In terms of organization, the past year of the city executive branch has been marked by its fast establishment. This was done during two days, while the former council needed two months to do so. The council has sup-

ported the initiative concerning the structure of authority, which Yevhen Kushnaryov considers a step forward. Among three blocs that have been created, the financial-economic bloc is the most important. The budget has been drafted according to the branch principle. The obsolete structure of the city's administrative-territorial division has hampered this process. In the opinion of Kushnaryov, it is not worthwhile to divide the budget into 10 parts. The need to establish a structure in which the budget would provide Kharkov residents with an equal number and quality of services, regardless of the region in which they live, is currently on the agenda.

The replenishment of the Kharkov material and financial basis is very complicated. Companies are the primary contributors, and around 80 percent of them have reduced the volume of production, and some of them have simply been closed down. As a result, we have to survive according to the principle of plugging holes. During the first five months, revenues amounted to 58 percent of the city's budget envisioned for this period, and this accounts for a mere 24 percent of the annual budget.

In this situation, we are looking for untraditional sources of financing such as privatization, municipal loans, a more active investment policy, and auctions of licenses for long-term land leases. It is necessary to change the current approach to expenditures, learning to live within our means, and not by illusions. As was noted at the news conference, we will have to undertake very unpopular measures if we want to implement our plans. What does this imply? As Kushnaryov pointed out, although it is much more pleasant to raise salaries and increase the number of services, we will have to temporarily reduce expenditures on salaries for health care employees. For instance, the director of one of the largest hospitals earns four times as much as... the mayor, despite the fact that there is no cotton wool at the institution he runs. We cannot rule out that we will have to reduce the number of beds in hospitals and increase the number of day-shift hospitals. Perhaps, we will be forced to increase the share of payments paid by parents whose children attend kindergarten. Although this share currently accounts for 50 percent in Kharkov, the Cabinet of Ministers has decided to increase parents' share to 70 percent.

The journalists were interested in how the Constitutional Accord is assessed by the Kharkov mayor, who is one of the ideologists of local self-government in Ukraine.

Yevhen Kushnaryov pointed out that the Constitutional Accord stipulates two levels of management: the state level for the regions, and another level for populated areas. And this is a correct step, because it is impossible

to become a democratic nation without self-government bodies.

Kushnaryov believes that the accord enables President Leonid Kuchma to establish a successful executive branch, which, as a matter of fact, is the most important task. This refers to an efficient and reformist government, as well as regional structures. Kushnaryov believes that the president's task is to nominate local leaders who want to conduct reforms.

This is perhaps the president's last chance.

Economic Issues

Deputy Prime Minister Views Economic Reforms

WS0707141695 Kiev URYADOVY KURYER
in Ukrainian 4 Jul 95 p 3

[Article by Deputy Prime Minister Roman Shpek: "On the Path of Economic Transformation"]

[FBIS Translated Text] The transformation of the Ukrainian society toward a free, market-oriented economy suits the fundamental needs of our state, which aims to be part and parcel of the world community. The program of economic transformations currently being implemented by us envisions the resolution of the priority strategic tasks: to achieve macroeconomic stabilization by sharply reducing the inflation rate; to equalize Ukraine's balance of payments by stimulating exports; and to lay a foundation for continuing economic growth by creating conditions for economic activity.

These strategic tasks are to be accomplished through an obligatory cut of the budget deficit along with the policy of granting credits to enterprises within extremely rigid limits and preventing wages from increasing over a certain level.

The program of reforms includes implementing land reform, speeding up privatization, promoting the development of private sector, and diminishing subsidies to enterprises. Stimulation of foreign trade and support — through the restoration of the Interbank Currency Exchange activities — for market methods in forming exchange rates also is an inherent part of the program. We hope that these measures will lead to economic stability, the establishment of market mechanisms, and the creation of conditions for economic growth.

Ukraine's economic policy has found support from the world community. Within a short period, Ukraine has received a loan for system transformation and a standby credit from the IMF, as well as a rehabilitation loan from the World Bank, which testifies to the correctness of this policy and its reception by the world community.

Reform in Ukraine began with the implementation of a program of macroeconomic stabilization, which was formulated on the basis of complex financial and monetary measures and revenue policies agreed upon with international financial organizations.

In the initial stage of implementing this program, considerable progress has been made on the path toward full liberalization of prices. Following the path of expanding the sphere of market price formation, the government does not delude itself that it can achieve an instantaneous effect of stabilization, but it expects that changes in pricing policy, along with other economic reform measures, will create a qualitatively new basis for changes for the better.

Analyses of the current situation in the economy testify to the appearance of the first encouraging symptoms. In the first quarter of 1995, the inflation rate was decreasing; its monthly indexes were: in January — 121.2 percent; in February — 118.1; in March — 111.4; in April — 105.8; and in May — 104.6.

The most positive results of the adopted resolutions could be seen in the state budget. In comparison with the actual data for 1994, the planned budget deficit for 1995 is considerably lower; it is expected to be at 7.3 percent of GDP, and will be repaid from external sources (3.3 percent), through money emission (3.3 percent), and with the offer of state bonds.

While creating general conditions for restoring economic activity by removing administrative interference and by liberalizing economic relations, special emphasis is being put on structural changes in industrial branches and agriculture through introducing competition, promoting activity of new enterprises in the private sector, and privatizing a majority of existing state enterprises.

During 1995, we will complete the so-called small privatization in the sphere of trade, consumer services, and public catering. We will launch a process of mass privatization under the wave principle [khvylovyy pryntsyyp] by way of privatization property certificates. We expect that a swift expansion of the private sector should provide not only the main source of economic development and new jobs, but also the creation of economically competitive environment.

Another set of measures is connected with a revision of the tax system with a view to reducing the total burden of taxes on the sphere of economic activity and securing the equality of legal and natural persons in all sectors of ownership. At the beginning of the current year, we accomplished the transition to a 30-percent income tax imposed on enterprises and organizations, as well as

reduced tax exemptions. The VAT was decreased from 28 to 20 percent.

We have taken first, but very important, steps toward the creation of market conditions for distributing agricultural products and determining their actual price on the basis of real demand and offers. One of the basic measures of our reform is to change the current mechanism for purchasing agricultural products and foodstuffs through the system of state contracts and [commodity] exchanges.

We have launched a land reform which ensures the equal development of all forms of land ownership. Over 4 million citizens have become private owners of land plots. Continuing the process of destatization and privatization of land, we perceive considerable difficulties connected with the mentality of individual social groups. However, the Ukrainian president's stance on this issue is firm and uncompromising. The executive power makes every effort to speed up the land reform in all basic directions: sale and purchase, lease, mortgage, etc.

Economic reform measures are intended to stimulate the emergence of new organizational forms of wholesale trade — commodity and universal exchanges, fairs, auctions, wholesale warehouses — and to create a capital market as the main instrument in successfully resolving a maze of problems in the process of destatization, corporatization, and privatization; they are also intended to help manage primary and secondary capital markets in a civilized way.

To provide all-around support to the development of entrepreneurship in Ukraine, the president is preparing an edict "On State Policy of Support to Entrepreneurship," which envisions measures to extend state financial and investment support to entrepreneurial activity, encourage access on the part of individual private entrepreneurs to foreign credits granted through interstate lines or by international financial organizations, and bolster the participation of foreign investments in specific entrepreneurial projects, primarily in developing our export potential and infrastructure.

According to calculations by Ukrainian economists, the total volume of foreign investments needed by Ukraine amounts to over \$40 billion, including over \$4 billion for priority projects. The Ukrainian Government's most important goal is to establish equal and advantageous conditions for the functioning of domestic and foreign investors, and create an attractive investment climate, including the improvement of legal regulation in the sphere of foreign investments and the development of international business infrastructure.

Foreign credits are an important way to finance the development and restructuring of our economy; Ukraine needs nearly \$8 billion in foreign credits. Since 1992, Ukraine has been receiving foreign credits on the basis of international and interbank agreements. State-guaranteed foreign credits for 1995 will be designated and used only in priority directions for financing those investment projects which ensure the development of export potential and infrastructure and can quickly pay for themselves.

The Ukrainian Government is grateful to those international financial organizations which have begun to render considerable financial assistance to Ukraine through the System Transformation Fund, the Reserve Credit, the Rehabilitation Fund, and the Project of Institutional Reconstruction. This financial assistance, which was intended to support Ukraine's balance of payments, is supplemented with a program for granting credits for investment projects. As of today, 19 projects that can be financed by the World Bank have already been drafted and are being discussed with the government. Several projects have also been approved by the World Bank (a project to rehabilitate hydroelectric power plants, and one for seed breeding).

Ukraine's urgent task is to resolve the maze of Chernobyl problems: to enhance the safety level of currently operating nuclear power plants and to accomplish the closure of the Chernobyl plant, which was announced in a statement by the Ukrainian Government in May 1995. However, adequate financial support from donor countries, primarily from the EU, is an indispensable element in seeking ways to resolve the problem of the Chernobyl plant's closure.

Due to objective factors, mutual interests, and geographical proximity, the FRG is today among Ukraine's main partners in trade and economic cooperation, as well as among essential donors of financial and technical assistance. After Ukraine gained its independence, the FRG granted a total of 2.5 billion German marks [DM] in support of our country. This support includes extending insurance guarantees for exports of goods from Germany — DM2.13 billion in the beginning of 1992 and DM300 million in 1995, as well as DM504 million for financing the "Hermes-Guarantees" project (begun in 1992).

The FRG is Europe's largest investor in Ukraine. Its share amounts almost to 20 percent of the total volume of investments. The FRG Government has extended investment guarantees totaling DM128.5 million, including DM66.8 million in 1995. The FRG also renders significant technical assistance to Ukraine — DM26 million in 1994; the same sum has also been planned for

1995. The main directions of this technical assistance include:

- macroeconomic consultative assistance to the Ukrainian Government;
- assistance in reforming the state administration;
- regional assistance to the Poltava and Zaporizhzhia regions.

Significant financial assistance was rendered to Ukraine for provision of the troops withdrawn from the former German Democratic Republic. Ukraine has received DM755 million for the construction of housing for officers and soldiers in four regions; 5,170 apartments were completed under this program in January 1995. Germany is also rendering assistance in resolving the Chernobyl problems — DM20 million have been earmarked for the determination of radiation level in the Chernobyl zone. New investments are also being planned for enhancing the technical security of nuclear power plants — DM21 million in 1995.

The FRG participated in the implementation of investment projects such as the construction of an ore processing plant in Kryvyi Rih (DM960 million were granted between 1991 and 1993) and a Hamburg-based project in natural gas (DM90 million). Humanitarian aid from the FRG Government in the form of medicines, medical materials, and equipment (worth nearly DM18 million) is also significant. Trade cooperation with the FRG has also increased over these years: in 1994 commodity turnover between our country increased by a factor of two in comparison with 1993. Both exports and imports are increasing, and their structure is changing. All this bears witness to the FRG's interests in Ukraine and our common intentions to expand fruitful and mutually advantageous cooperation. Ukraine is hoping for further support from the FRG in the international arena.

Features of National Financial Market Detailed

WS1207084995 Kiev KIYEVSKIYE VEDOMOSTI
in Russian 7 Jul 95 p 7

[Report by Serhiy Sokolovskyy: "Ukraine's Financial Market: The Time of Paradoxes"]

[FBIS Translated Text] A financial market in any state is a sensitive and a delicate instrument. As for the Ukrainian financial market, it too has its own peculiar features. A specific nature of Ukraine's financial market is the overcapitalization of its heavy industry which is unamenable to reform. All attempts of the state to save these symbols of soviet pride have only led to the deterioration in the entire national economy. The need for structural changes is obvious, so the issue of financing emerges. The state cannot subsidize

the technological reconstruction of state enterprises: Budgetary assets to this effect amount to 90 trillion karbovantsi [K], against total expenditures of over K2.5 quadrillion — or less than 3 percent of total expenditures. Funds of enterprises also do not make it possible to carry out technological reconstruction, because a mere 0.5-percent decrease in the amortization norm will "prolong" the technological reconstruction by "only" 200 years.

A paradoxical situation has emerged in the stock market. Ukraine has left Japan behind in the number of financial middlemen (some 600 against 210). As regards the number of stock offerings [emitent] — over 750 — Ukraine is on the list of the most active countries in the world. The volume of security operations has begun to rapidly increase: Sixty eight stocks were sold in 1992, 1,400 in 1993, and 2,750 in 1994. But galloping inflation has reduced this process to zero: Stock sales in 1994 accounted for K175 billion. Planned stock sales in 1995 (considering vouchers) stand at K55 trillion, which is also very insufficient considering price increases. A need to establish a secondary market for securities and a national depository [depozitariy] has emerged. These are, however... projects, but there are no results.

Foreign experts think that a great portion of our problems is caused by the absence of private investors. Where, however, can one find such an investor if the personal incomes of 80 percent of the people do not exceed \$120 annually? Given such a situation, it is utopian to hope for the emergence of a middle class. Personal incomes will not grow until the labor force becomes a commodity. Financial markets currently expect a shock, because the balance of money turnover will depend on decisions to implement regular social protection measures and to print money for this purpose.

What are Ukrainian financial markets today? In statistical terms, there are two stock markets, two currency interbank markets, 91 commodity stock exchanges, 650 investment funds and companies, 500 trusts, 215 commercial banks (as of 1 June 1995), 660 insurance companies, 250 auditing companies, and two technical pools [tekhnopark] in Ukraine. Everything is okay in statistical terms. As for quality.... An American bank renders some 120 types of services, while a Ukrainian bank between 15 and 20. The issue again is not the quantity. Unjustified accumulation of risks by one partner alone, ineffectiveness, and a staff that is not trained enough to assess the degree of risk often put a quite successful bank on the verge of catastrophe.

Investment risk is very high in Ukraine; therefore, foreign investors reject projects envisaging less than 100 percent profits (for the Czech Republic this index is 40

to 50 percent). It is clear that there are almost no such options for the industrial production sector in Ukraine now.

Belarus

Lukashenka Views Year in Office; Admits 'Blunders'

WS1207075395 Minsk BELAPAN in English
1450 GMT 11 Jul 95

[FBIS Transcribed Text] On July 10 the national television broadcasted an interview with President Alyaksandr Lukashenka in view of his one year in office.

Commenting on his activity during this period Mr. Lukashenka declared that this year was difficult both for the president and the Belarusian people. He acknowledged that he had committed blunders, basically in personnel issues. According to the president, "cadre determines everything in our society. The most terrible thing is that we have lost the reserve of cadre. The trouble is that I cannot act in the way the electorate wants me to."

The president is only 50 percent content with the activity of elected organs of power in the provinces. According to the president, those old functionaries who "do not understand that the times have changed will have to leave the positions they are occupying." Mr. Lukashenka admitted that towards a number of leaders of different levels, he adhered to a position based on administrative measures.

Mr. Lukashenka informed of the planned reorganization of the Presidential Administration and emphasized the necessity to toughen control over the realization of the president's policy. He regards the fact that the government has managed to uphold peace as the greatest achievement. "And nobody will be allowed to break it," he added. Alyaksandr Lukashenka stressed that there is no legislative power in the Republic and this is through no fault of the president.

He expressed his concern about the Supreme Soviet's decision to summon a parliamentary session. Moreover, he declared that information about this had plunged him into shock. He defined the old parliament as illegitimate.

Speaking about the results of the May 14 referendum Mr. Lukashenka thanked the Belarusian people for the fact that they supported the president, taking part in the referendum. "This means confidence in Lukashenka. This is a victory that we have recognized the statehood of the Russian language." The president informed that he had ordered to bring the educational programs of higher and secondary schools in conformity with the results of the referendum. "They say that Tsitsyankow treated outrageously the change of flag over the president's residence. He was stupid if he did so," Alyaksandr Lukashenka declared.

Speaking of the results of the nationwide referendum and parliamentary elections the head of the Belarusian

state declared that he was far from regarding them as the president's victory.

Opposition Congress Discusses Elections, Chechnya

WS1107125495 Minsk BELAPAN in English
1110 GMT 11 Jul 95

[FBIS Transcribed Text] At the second session of the fourth congress of the Belarusian Popular Front in Minsk on 8 July, a number of resolutions were adopted. In particular, it was pointed out in one of them that in Belarus, in contrast to other post-communist countries, the movement of the consciousness of the masses to the left did not follow a period in power by democratic forces standing for national rebirth and market reforms. The foundations of reforms for the transformation of the economy were not laid down, the democratization of sociopolitical life and the reorientation of the consciousness of the masses were not carried out. The construction of state independence and sovereignty did not become an irreversible process.

The chain of events which began in 1992 from the illegal ban on conducting a nationwide referendum on dissolving the 12th Supreme Soviet and on holding new parliamentary elections, which was initiated by the Belarusian Popular Front, led to the establishment of the authoritarian regime of Alyaksandr Lukashenka. The 14-May referendum, another resolution states, should not be regarded as the expression of the people's will as it was conducted with flagrant violations of democratic standards, laws and the Constitution. In other resolutions approved at the congress the Belarusian Popular Front declared its intention to resume its effort to adopt the draft election law which was worked out by the Popular Front back in 1992, because under the election law currently in force "there is a real danger that elections will never take place in Belarus."

And the war in Chechnya, in the delegates' opinion, is a "striking illustration of what the future has in store for the nations within the Russian Federation structure, if they dare to claim their rights, and is a warning to those who would like to involve Belarus in federative relations with Russia."

Trade Agreement Signed With Uzbekistan

LD1107142395 Minsk Radio Minsk Network
in Belarusian 2050 GMT 10 Jul 95

[FBIS Translated Text] A visit to Minsk by a government delegation from Uzbekistan headed by Deputy Prime Minister Yuriy Paygin has ended. The delegation was received by Prime Minister Mikhail Chyhir. They discussed questions of reciprocal deliveries of goods. In particular the sides agreed that in July cotton will

arrive from Uzbekistan in accordance with previously signed agreements, and later there will be a further consignment of 3,000 [metric] tonnes. In turn Belarus will supply tractors and engines.

It was also noted that Uzbekistan has started paying back its state debt to our republic. As a result of the visit, an intergovernmental protocol was signed on implementing the interlinked deliveries of goods between our countries for the first half of 1995 and basic questions of deliveries in the second half of the year which need to be decided.

Moldova

Snegur Admits Economic Decline 'Has Not Been Stopped'

*AU1207061995 Chisinau INFOTAG in English
2350 GMT 10 Jul 95*

[FBIS Transcribed Text] Chisinau, INFOTAG, 10/7/1995 — Moldova's President Mircea Snegur named six key points he considers are most important for advancing the economic reforms in the country.

Speaking on Moldovan TV on Monday [10 July] night in "The Hour of the President" show, Mr. Snegur said that it is important to develop the securities market, launched by opening the Moldova Stock Exchange last month.

Other directions include restructuring of the banking system, tax reform and mechanism of bankruptcy of inefficient enterprises.

Mr. Snegur singled out the agrarian reform, which "goes very difficult." The president said that conditions for fair competition of all the form of property in the agriculture have not been created. He reminded that the World Bank had criticized recent changes in the Land Code. "Those who want to set up a private farm, frequently can not do that," Mr. Snegur said, although he himself believes that joint-stock companies "are the most apt form for us."

Finally, the president mentioned the necessity to restructure social protection system as part of the general reform effort.

Mr. Snegur recognized that the situation of the population is difficult, but there is no way back. He said that "we could be proud that the Moldovan leu had become fully convertible currency." The average rate of inflation in the first five months of this year was 1.3 percent per month, which is 8.5 times lower than last year. Over 900 enterprises have been privatized in one year.

However, economic decline has not been stopped. Industrial production declined by 20 percent in the first

half of 1995, the agricultural one decreased by 10 percent, investment diminished by 40 percent. Reciprocal non-payments reached 1,800 million lei, the budget deficit is 80 million lei, and customers' indebtedness to the energy complex rocketed to a fantastic figure of 3,500 billion lei. Average salary in Moldova is 122 lei (\$27), which equals 44 percent of the so-called "minimum consumer basket".

According to Mr. Snegur's estimate, Moldovan economy will begin to grow by the end of the year.

Snegur Denies Press Reports of Power Struggle

*LD1107153995 Moscow ITAR-TASS in English
1327 GMT 11 Jul 95*

[By Valeriy Demidetskiy]

[FBIS Transcribed Text] Chisinau, July 11 (Itar-Tass) — President Mircea Snegur of Moldova called reports in the press on the struggle for power between the three state leaders unfounded.

His withdrawal from the ruling Agrarian Democratic Party "does not mean any change in a state policy and the beginning of the pre-election struggle to the death" as some "Russian speaking newspapers" write, Mircea Snegur said speaking on local television.

Despite all this fuss in the press, "the president, the chairman of the parliament and the prime minister meet one another for resolving current issues," the Moldovan leader informed.

The president stressed the need to consolidate the team of his supporters and called suppositions of the establishment of the pro-presidential party "not without foundation."

He believes that one of the reasons which induced him to withdraw from the ruling party, is a "campaign for discrediting of the president organized by agrarians with the aid of some government members."

Obvious misunderstanding between the president and the Agrarian Democratic party began after Mircea Snegur put forward an initiative to change the Moldovan language for the Rumanian in the country's constitution as an official language. This was done at the demand of part of intelligentsia and students who organized mass demonstrations of protest in Kishinev in spring of 1995.

The president regards the proposal of a group of deputies of parliament to hold a referendum on determining a state language in Moldova as a "delusion." He expressed bewilderment as to "why representatives of other nationalities residing in the republic will decide during a plebiscite what language Moldovans will speak."

Mircea Snegur also showed his displeasure with the legislation on functioning of the state language in the republic, specifically, with the fact that on the insistence of the parliamentary faction of the socialist unity, the certification of some categories of office workers for the knowledge of the language had been postponed once again.

PDAM on Consequences of 'Defection'

AU1007133295 Chisinau BASAPRESS in English
2115 GMT 8 Jul 95

[FBIS Transcribed Text] Chisinau, BASAPRESS, 8/7/1995 — At their recent meetings, PDAM [Democratic Agrarian Party of Moldova] local administrative counselors have disapproved of the legislative initiative concerning official language name and President Snegur's decision to abandon the ruling party, noted the PDAM newspaper PAM-ANT SI OAMENI. For example, the PDAM counselors of Criuleni district "expressed their concern about unreasonable political dissensions among high-ranking officials and president's defection from the PDAM," while those of Dondueni stated "the unprofessional, incompetent and opposition representatives harming the Government should have been fired long ago." In Cahul, PDAM counselors "severely criticized those who under the unionists' pressures intend to pass an amendment to the Constitution regarding the official language."

Afanasie Murzacoi, Leova district counselor, stated at such a meeting Snegur leaves the Agrarian Party "to win opposition's votes" during the presidential election. Andrei Diaconu of the PDAM Executive Board stated that some points concerning reforms and personnel problems made by the president are right. "But Mircea Snegur should have settled his departure with the PDAM leadership in the first place," said Diaconu. In Cauteni, Anatol Popuoi reminded the audience that "the PDAM emerged in the political arena later than other political parties, but did it at the right moment to impede the People's Front to liquidate the Republic and unite with Romania." The governmental daily MOLDOVA SUVERANA (SOVEREIGN MOLDOVA) published the statement by PDAM Deputy Maricica Levitchi, doctor in law, who withdrew her signature from the list of those favoring a referendum on language name. "I have been led astray by the pressures put on PDAM members to settle the problems as certain PDAM leaders, nostalgic of the old management style, wish," said Levitchi. She added she faced a difficult problem to comply with the party discipline in the majority faction being certain she was not the only to do so. Appreciating "the president's initiative and courage," Levitchi mentioned the fears that the correct name of the

language will be conducive to unification with Romania are groundless, while the referendum is initiated to distract people from acute socio-economic problems.

Political Rivalry Viewed

AU1107155995 Chisinau BASAPRESS in English
2126 GMT 10 Jul 95

[BASAPRESS "Political commentary"]

[FBIS Transcribed Text] Chisinau BASAPRESS, 10/7/1995 — The Chisinau media treats the division in the supreme power pyramid as a beginning of the presidential campaign, whose climax will be reached in the second half of 1995. Although Parliament Speaker Petru Lucinschi urged reporters not to interpret President Snegur's leaving the majority party as a "state of war," the exchange of harsh reproaches between messengers of various calibers of the rival groups suggests that the tactics of dissociation was knowingly adopted as a method of mutual testing and probing of possible voters. One might suspect that the timeliness of the divorce was taken into consideration by image creators. It is hard to pinpoint who will make the most gains from this particular division, which PDAM [Democratic Agrarian Party of Moldova — ruling party] leader Dumitru Motpan, deputy speaker, tried so desperately a month ago to deny.

The adviser of the other deputy speaker, Pavel Rotaru, stated to reporters that "the development of events as suggested by Mr. Snegur was not only anticipated, but also provoked." Immediately after his statement, whereby Mircea Snegur made public his withdrawal, accusing the PDAM leaders of an attempted "establishment of a single party dictatorship," they initiated the mobilization of the public opinion by convening meetings with local councillors.

At such a meeting in Causeni, Anatol Popuoi of the PDAM Executive Board underlined the PDAM's merit to emerge in the political arena at the right moment "to impede the People's Front [Christian-Democratic Popular Front of Moldova — opposition party] to liquidate the republic and unite with Romania." The conclusion is evident — Snegur, who left the party which opposed the unification becomes automatically guilty of supporting unionist spirits; and this will be used in the communication with the electorate.

According to the newspaper PAMANT SI OAMENI, the opinions made at these meetings ranged from "concerns provoked by unreasonable political dissensions among high-ranking officials" to vehement criticism of President Snegur who left "the PDAM to win the opposition's votes." The opposition, aware that Mircea Snegur cannot be reelected for another term unless "the

active and cultured classes" support him, is tempted to advance conditions.

Democratic forces "are in the impossibility not to support Mircea Snegur not blindly, but carefully and analytically," noted the weekly *LITERATURA SI ARTA* (LITERATURE AND ART). According to the weekly "only a social contract publicly concluded with democratic forces and based on concrete arguments may offer him a chance for political survival." The condition for the coupling between the president and democratic forces is that Snegur should pay "several moral policies, such as to outlaw the anti-national parties, dissolve Parliament, dismiss the government, and respect historic and scientific truth in central matters." "At loggerhead with democratic forces of national orientation, in particular with the intelligentsia, and simultaneously cornered by Sangheli's agrarians and anti-Romanian elements, Mr. Snegur's political career seems to be next to a sad end," said the weekly.

Another weekly, *PATRIA TARA* (YOUNG FATHERLAND,) which abandoned Snegur without supporting any particular opponent of the current president, stated "the ebb of the first president (...) started before 26 June, when Mr. Snegur made his famous statement to the PDAM Executive Board" [announcing that he is leaving the party]. The author of the commentary, editor Nicolae Rosca, blames the president for lack of political perspicacity by joining the PDAM and "inconsistency" that touched off a chain of mistakes. Rosca noted that President Snegur "wants to be re-enthroned not only out of lust to be at the helm for another term, but also out of fear that he will be held accountable before the people and the law for the many things he has done, which included not only mistakes, but also crimes." The conclusions and the language reveal a conviction (perhaps of Snegur's direct opponents) that the current holder of the presidency is in a more difficult situation than the other pretenders to the presidency.

Another reaction coming from a third camp is worth listening to. This is the statement of Deputy Valeriu Cibotari, who left the PDAM to chip in the constitution of the Party for Social Progress, regarded as a party supporting Speaker Lucinschi. Cibotari stated that the "PDAM lacks leadership" and is managed by "a group of illiterates." But being an opponent of the majority party does not mean that an association with other PDAM opponents will follow, said Cibotari, making the following statement: "Given that the talks between Chisinau and Tiraspol are being conducted by people who directly participated in the military conflict, they will last without end."

What is the attitude of political parties regarding the possible regrouping of the electorate under the influence of dissociations in the power pyramid? Many parties without seats in Parliament deem that the expected constitution of the Party for National Rebirth (PRN) in the conditions of an oversaturated political life aims at fortifying President Snegur's stance. Being unable to propose a novel doctrine, the new party might bank on means of non-ideological assertion, which will shortly reveal its true objectives, noted experts. In their opinion, despite the harassment born during the two elections, the electorate lacks sufficient discernment to detect these objectives easily.

Snegur To 'Reevaluate' Prospects of New Party

*AU1107163895 Chisinau INFOTAG in English
2250 GMT 10 Jul 95*

[FBIS Transcribed Text] Chisinau, INFOTAG, 10/7/1995 — Moldova's President Mircea Snegur said that he has to "reevaluate and consolidate his team" and "suppositions that I want to create my own party are not groundless."

Mr. Snegur disclosed his plans during Monday night TV show "The Hour of the President."

He said that he has nothing to add to his recent declaration on quitting the ruling Agrarian Democratic Party. "That party organized an unprecedented campaign of discrediting the president all over the republic. Some ministers and other governmental officials contributed to it," Mr. Snegur said.

"It does not mean that the policy of the state is changed, or that 'struggle for dear life began', as someone claims. I am ready to collaborate with all the other political forces and leaders," said the president.

He informed the viewers that he has met the chairman of the Parliament and the prime minister today, as they usually do every Monday, to discuss the current developments in the country.

"Regardless of our membership of one or another party, we all — Snegur, Lucinschi, Sangheli — have obligations to our people," the president said.

Mr. Snegur regarded as "aberration" the intention of the majority of the Parliament to organize a referendum on the name of the official language of Moldova. "Those 64 deputies just want to teach the president and to show that the Parliament is that force which rules the society," considers he.

**Foundation for Dniester-Moldovan Dialogue
Established**

AU1207062095 Chisinau INFOTAG in English
2250 GMT 10 Jul 95

[FBIS Transcribed Text] Balti, INFOTAG, 102250 — "Accord via confidence" — that was the motto of the Moldovan and Dniester public and business people, organized by "Confidence" foundation last Saturday in the city of Balti in northern Moldova. The meeting was supported by the Balti mayor's office and the OSCE [Organization on Security and Cooperation in Europe] Mission to Moldova.

Oazu Nantoi, coordinating director of the "Confidence" foundation told to INFOTAG that the meeting became a kind of presentation of the new non-government organization, established in December 1994. "Confidence's" goal is to develop the dialogue between Moldovan citizens from the both sides of the Dniester River, to restore the broken economic, cultural, humanitarian relations, to create favorable conditions for peaceful settlement of the Dniester conflict."

Addressing the meeting, chairman of the Moldovan Parliament Petru Lucinschi said that first and foremost it is necessary to eliminate both internal and external roots of the conflict. A number of those causes have been removed, others still remain and continue to "feed" certain political forces both in Moldova and its Dniester region.

"The main thing is to constantly resolve existing problems, using 'thousand small steps' diplomacy. We should not wait for something extraordinary to happen, but we should not stop, resolving one problem after another," Mr. Lucinschi said.

Grigory Maracuta, chairman of the Supreme Soviet of the self-proclaimed Dniester Republic, who also participated in the meeting, said that the current situation, when Moldova and Dniester live as two separate states, is abnormal. "We stand up for building up such a state, which would satisfy both sides," Mr. Maracuta said. According to him, Chisinau's and Tiraspol's positions are drawing closer despite opposition to the negotiation process existing on both sides of Dniester. Major agreement to resolve all the problems exclusively by peaceful means has been achieved. "That agreement helps to remove mistrust, which exist after the 1992 armed conflict," said Mr. Maracuta. He suggested that authorities ceased conferring orders "For defending Dniester" and "For preserving Moldova's integrity", if they believe that all the participants in the conflict live in a single state.

Mr. Maracuta maintained that the main political issue, that of Dniester's status, has not been resolved yet. Chisinau's and Tiraspol's positions still differ very much. "Moldova believes that Dniester problem could be resolved within the framework of the present constitution and local self-administration. We consider that this is impossible. We should look for other ways out, taking into account international and Russian experience of defining both common powers of the sides and delimitation of the authorities," Dniester leader said.

"Confidence" foundation will use various confidence-building measures to restore the links between the two sides of the Dniester River, said Vitaly Andrievschi, foundation's chairman, presenting the organization's plans to a meeting of Moldovan and Dniester public and business people in Balti.

"It is important to overcome the economic crisis together, and we will give main attention to economic problems. Business people from both sides should 'push' the politicians to find an agreement," Mr. Andrievschi said.

The new nongovernmental organization plans to arrange meetings of financiers and bankers, industrialists and traders, people of arts and science, media representatives from Moldova and Dniester region.

The participants of the first "Confidence's" meeting in Balti adopted an appeal to all the citizens of Moldova, which reads in part:

"The republic has been divided into 'our people' and 'their people', 'nationalists' and 'internationalists'. The result was tragic — fratricidal war, victims, division and impoverishment of the country. Common sense suggests that one can not live like this further on. The people grew sick with longing for peace and order. We can revive our land only by common effort."

The participants of the meeting spoke up for stopping "hunting" for those responsible for the last years' dramatic events, as it would only lead to new contradictions. They believe that the main thing today is to restore the economy, to cease misinforming the population and to implement joint projects on various fields.

Next meeting of the Moldovan and Dniester representatives is expected to be held in Rybnita, industrial city on the left bank of the Dniester. The meeting will concentrate on economic issues.

President Optimistic Over Transdniester Solution

LD1107123695 Moscow INTERFAX in English
0942 GMT 11 Jul 95

[FBIS Transcribed Text] ChisinaU, July 11 (Interfax) — President Mircea Snegur believes that the Transdniester problem will be resolved soon. A compromise option being discussed at the current talks with the Tiraspol leaders is the region's autonomy within Moldova, Snegur said.

In a televised statement Monday evening Snegur explained his optimism by the favorable outcome to negotiations with the Transdniester leaders and on the signing last Wednesday of a treaty between Chisinau and Tiraspol on maintaining the peace and on security guarantees. The treaty provides for ensuring people's freedom of movement, rebuilding bridges and introducing Moldova's national monetary unit — the lei — on the left bank of the Dniester.

Debates on the need to involve "the Ukrainian factor" in the efforts to resolve the Transdniester problem began long ago, Snegur noted. As he said, since the Transdniester Region borders on Ukraine, "it would be good, if the neighboring country could join the peace process in a form acceptable to it together with the other mediators — the OSCE [Organization for Security and Cooperation in Europe] and Russia." Later Ukraine could become a guarantor of stability in the area, the Moldovan president said.

"We want to secure the soonest reintegration of Moldova and start reforms on the left bank of the Dniester. The situation where people on the right bank follow the road of liberalization, while the old system of planning prevails on the left bank, is intolerable," Snegur said.

Tiraspol Leader Views Autonomy Talks With Snegur

AU1107145795 Chisinau BASAPRESS in English
2126 GMT 10 Jul 95

[FBIS Transcribed Text] Tiraspol BASAPRESS, 10/7/1995 — Grigoriy Marakutsa, chairman of the Dniester Supreme Soviet, stated at a press conference today that the Tiraspol Administration does not accept that the special status for the Dniester Republic should be confirmed by a Moldovan law. He insisted upon the conclusion of an agreement between two equal subjects, which may not be suspended by one of the signers in a deliberate way. According to Marakutsa, the OSCE [Organization on Security and Cooperation in Europe], Russia, and Ukraine should guarantee the fulfillment of this agreement.

At the same conference organized to make public the results of the recent Snegur-Smirnov meeting, Marakutsa said the agreement on mutual guarantees of peacekeeping and the refusal to exert economic or political pressures was the most important of the documents signed at this meeting.

Estimating the agreement on the adjustment of the currency systems of Moldova and the Dniester Republic, Marakutsa said that the document stipulates only the leu's circulation in transfer payments in the Dniester region. Yet he did not rule out the possibility of replacing the Dniester coupon in case the leu proves to be a stronger currency. He did not exclude the possibility of creating a single currency system. According to Grigoriy Marakutsa, some weeks before the 5 July meeting, Moldovan and Dniester experts agreed upon a wider spectrum of matters, but for unknown reasons the minutes of this meeting got lost. The Tiraspol speaker said the experts had agreed that the Dniester region should be granted an autonomous republic status, which would have been fixed in an agreement approved by the parties.

Commenting on the problems that resulted from the presence of the 14th Russian army based in the Dniester region, Marakutsa said that despite the process of liquidating the ammunition stocked at Colbasna, the Tiraspol authorities still hold the opinion that the 14th Army armament has temporarily been given to the Russian troops. When the withdrawal starts, said Marakutsa, the ammunition can be taken out only after Moscow-Tiraspol negotiations, free of Chisinau's participation. Marakutsa said he shares President Snegur's wish to solve the Dniester dispute by the end of this year, but he disapproved of pushing the events.

Ukraine Concerned About Peacekeepers in Dniester

AU1007124295 Chisinau BASAPRESS in English
2115 GMT 8 Jul 95

[FBIS Transcribed Text] Chisinau, BASAPRESS, 8/7/1995 — The Ukrainian authorities might have reservations about the introduction of peacekeeping forces in Dniester without an OSCE [Organization on Security and Cooperation in Europe] mandate, Yevgeniy Levitski, Ukrainian charge d'affaires to Moldova, told the daily KISHINYOVSKE NOVOSTI. Levitski said the envoy of the OSCE acting chairman stated during his visit to Chisinau that an increase in the peacekeeping forces would mean that the conflict cannot be settled by political means. In Levitski's opinion, introduction of blue helmets might slow down the talks on special status for Dniester. He denied the allegations that Kiev impedes the 14th Army withdrawal, adding an expert group is working out the requirements for crossing

Ukraine during the withdrawal of armament. Levitski said Ukraine supports the position of Moldova whose

Constitution prohibits the location of foreign military bases on its territory.

Kazakhstan

Nazarbayev, Shaykenov Discuss New Constitution
954F2719A Almaty KAZAKHSTANSKAYA PRAVDA
in Russian 5 Jul 95 p 1

[Report by KAZAKHSTANSKAYA PRAVDA correspondent Gulnara Rakhmetova: "The New Constitution Should Bring the People of Kazakhstan Together"]

[FBIS Translated Text] Republic of Kazakhstan President Nursultan Nazarbayev held a press conference on the draft constitution published yesterday. In introductory remarks he described briefly the intense and comprehensive work that went into the document so important for the country's future. However, the work of the expert-consultative council — which included, in addition to foreign specialists on constitutional law, Kazakhstani scholars — is not over. They will participate in a broad campaign explaining the draft's contents in all regions of the republic, conduct seminars, and later, after the discussion, prepare the document's final version.

N.A. Nazarbayev announced to those assembled that N.A. Shaykenov has been appointed the republic's deputy prime minister, but will also remain minister of justice. According to the president, this appointment was necessitated by the fact that the time has come for intensive work on legal reform. If the draft constitution is adopted at the referendum, the next step will be to revise the existing legislative base and make changes and additions to current laws, first of all constitutional laws.

The president expressed the hope that an interested discussion of the draft in all labor collectives, regardless of their form of ownership, as well as in the mass media, will help to bring together and unite the multiethnic people of Kazakhstan.

In particular, the head of the state emphasized that the constitution is not something fixed and unchangeable. New realities will materialize over time, new generations will come on the scene, and changes and additions to the basic law undoubtedly will be needed. But the foundation should remain. And it is this foundation that will be laid in during the all-people's discussion.

Speaking of what concerned the president as one of the draft's authors, N.A. Nazarbayev mentioned some problems that have been the subject of ongoing discussions in the republic lately, first of all the provision of the current constitution defining statehood. "Kazakhstan is a state of all the nations and peoples living in it," concluded Nursultan Abishevich.

Anticipating the question of the need to declare one of the languages a state language, the president indicated that he does not feel justifiable diminishing the standing

of the Kazakh language among other national languages of the Commonwealth countries that have been given this high status. As to the Russian language, officially the status of this language is no less than that of the state language, and definitely is less vague than the status of language of interethnic communication.

One of the questions stirring society is that of citizenship. Article 1, Point 3 in Part II does not recognize the right of a Republic of Kazakhstan citizen to hold citizenship of another state. In this connection, it was said once again at the press conference that demands for dual citizenship stem from pure politicking; it does not work for stability, and the problem can only be resolved through interstate agreements that give each citizen of Russia and Kazakhstan the right to choose. As is known, the issue is not getting anywhere because of the reluctance of Russian Federation State Duma members to appreciate the complexity of the situation in Kazakhstan.

Our correspondent asked the president and the deputy prime minister, Minister of Justice N.A. Shaykenov, a question:

"Article 5 of the draft constitution recognized ideological and political diversity. Does this mean that we are drawing the line on discussions about state ideology?"

N.A. Nazarbayev replied that no ideology indeed can be adopted as a state ideology, but that the idea of Kazakhstani patriotism will be one of the driving forces in developing statehood. Society cannot manage without a consolidating idea, but there are no plans to impose one from above, in the pattern of the now-defunct communist ideology.

"How do you, Nagashbay Amanagaleyevich, feel about the fact that the supremacy of human rights is not mentioned among the fundamental principles of the Republic of Kazakhstan's functioning?"

N.A. Shaykenov referred us to Point 1 of Article 1 of the draft's general provisions, which says: "The Kazakh Republic establishes itself as a democratic, secular, law-based, and social state, whose highest values are the individual, his life, rights, and freedoms."

The president's conversation with the press took place, as already noted, on the day the draft was published, and therefore journalists were unable to ask in-depth questions. Apparently, a press conference right after the draft's discussion, when all the merits and shortcomings of the document will come into focus, will be more substantive.

Deputy Prime Minister Imangali Tasmagambetov also took part in the press conference.

ILO Envoy Views 'Progressive' Constitution Draft
*LD1207092795 Almaty Kazakh Radio First Program
Network in Russian 1400 GMT 11 Jul 95*

[FBIS Translated Text] The Council of Kazakhstan's Trade Union Federation has met a representative from the International Labor Organization, Max Kern, who is the head of the section dealing with industrial conditions and workers' freedom. They discussed the draft of Kazakhstan's new constitution.

Max Kern spoke in favor of it. He said: This is a very progressive document. However, Articles 5 and 23 of the draft, which ban civil servants from setting up trade union organizations, are cause for serious concern. He noted that such a ban could not be tolerated in a civilized country. In his view, those working for state organizations should, like other workers, be given the right to unite in trade union organizations.

'Sources' Claim 'Successful' Bank Goes Bankrupt
*LD1207092095 Almaty Kazakhstan Television
Network in Russian 1400 GMT 11 Jul 95*

[FBIS Translated Text] Today we begin this program with an alarming report which the KAZAKHSTAN TODAY news agency has just received from well-informed confidential sources. It appears that one of the most successful banks in the republic, the Alem Bank, has gone bankrupt. According to the report, all the bank's assets have been frozen from today. All the Alem Bank's employees, except the lawyers, have been told to go on indefinite leave.

Tomorrow the Khabar agency will provide you with more detailed information about the crisis at the Alem Bank.

Kyrgyzstan

Minister Says CIS To Coordinate European Policies
*LD1107192695 Moscow INTERFAX in English
1448 GMT 11 Jul 95*

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] Bishkek, July 11 (Interfax) — Kyrgyzstan Foreign Minister Roza Otunbayeva said on Tuesday all members of the Commonwealth of Independent States "without exception" wanted the Organization for Security and Cooperation in Europe (OSCE) to be a more effective body and needed more extensive relations with it.

Otunbayeva told a news conference this had been stated at a recent meeting of representatives of the foreign ministries of CIS countries in Bishkek.

But the meeting has revealed that different CIS states have different foreign policy priorities, the Kyrgyz minister said. Thus, unlike the Commonwealth's European member states such as Russia and Ukraine, its Central Asian members are less interested in integration into European bodies such as the European Union.

One of the subjects discussed at the first of what are due to be regular meetings was CIS states' participation in NATO's Partnership for Peace program, Otunbayeva said.

"The Commonwealth countries have agreed to coordinate their positions on European problems," she said.

Measures Taken To Regulate Citizenship in Republic

*LD1107184595 Bishkek KABAR in Russian
1036 GMT 11 Jul 95*

[FBIS Translated Text] In order to regulate the circumstances of the acquisition and cessation of citizenship arising from implementation of the law of the Kyrgyz Republic on citizenship of the Kyrgyz Republic, President of Kyrgyzstan Askar Akayev has issued an edict on measures to regulate citizenship in the Kyrgyz Republic.

The edict stipulates the following:

— registration of citizenship of the Kyrgyz Republic should be carried out through inserting the phrase "citizen of the Kyrgyz Republic" in USSR passports that are currently valid, from 15 July 1995 to 15 July 1996;

— the government is, within two weeks: To work out and approve regulatory acts establishing the procedure for registering citizens and certifying citizenship of the Kyrgyz Republic; to solve material, financial, and organizational issues arising from carrying out the registration; also to take measures to speed up the preparation of new passports; and to set up a commission on citizenship issues under the president of the republic;

— the Interior and Foreign Affairs Ministries of the Kyrgyz Republic are, within two weeks, to work out and approve regulations on the procedure for drawing up materials and implementing the resolutions on the issues of citizenship in the Kyrgyz Republic.

Regulations on the procedure of discussing issues of citizenship of the Kyrgyz Republic are attached to the edict.

Osh Leader Favors Extending Presidential Term

LD1107141795 Osh EKHO OSHA in Russian
1 Jul 95 p 2

["Excerpts" from report originally published in KYRGYZ TUUSU: Dzhanysh Rustenbekov: The people received me well; a talk with the head of the Osh regional state administration, who has been in office for 150 days]

[FBIS Translated Excerpt] [Question] Dzhanysh Sultankulovich, let us begin our talk with a simple question. A sufficiently long time has passed since your arrival in the south. What were your first impressions as a leader and as a person.

[Passage omitted on Rustenbekov discussing the tasks of the head of administration, the status of Osh, and divisions avoided since the Kyrgyz-Uzbek clashes of 1990 in the region]

[Question] Our people know you to be an experienced politician, a skilful organizer, and highly value your efforts at strengthening discipline and enhancing responsibility. However, some people like it and others do not. For example, independent publications have made lots of noise about the way Rustenbekov has dealt with Erkenbayev's and Osmonov's people. What is your opinion on this issue?

[Rustenbekov] I have my own principles in selecting and placing personnel. Those who do not have the strength to carry out the business, who encroach on the people's and the state's property, must resign. I have been working only with the local personnel since my arrival in Osh. I have not yet invited anyone from either Bishkek or the other side. [passage omitted]

Since I took up this post, we have worked out nearly 50 business projects. Out of them, we have defended 19 and obtained the possibility of investments. I can cite an apricot processing enterprise in Batken, macaroni production, a mini beer brewery, a mini oil refinery, and a small wool processing workshop. We all know how the government has been reproached for ignoring the needs of the south in attracting foreign investments. It turned out that we ourselves were the problem. One must not be afraid of arduous preparatory work. [passage omitted]

[Question] The issue of the president's term in office is most likely at the head of policy. What is your personal opinion?

[Rustenbekov] To my mind, it is necessary to extend the president's term in office to 2000. This is not only my personal opinion. I am not mistaken in saying that the majority of the population of Osh Region thinks so,

too. I have just come from Chon-Alay district, where I met the people. One village elder asked me to inform President Askar Akayev that the people would like to rename Lenin Peak [local mountain] as Askar Akayev Peak. Or else, they say, if he does not agree, then let us name it after the three presidents — Nazarbayev, Karimov, and Akayev. The words of the village elders were drowned in the applause of the fellow villagers. I was with Askar Akayevich during his meetings in Osh Region. At 2200 we saw people standing along his route. Chairmen, Communist Party, trade union, and Communist Youth League officials did not assemble them by force. We do not have such people any more. I think these people came out in order to show their personal respect to the president. [passage omitted]

Osh Council Chief Resigns After Incompetence Ruling

LD1207090395 Bishkek Kyrgyz Television First
Program in Russian 1430 GMT 11 Jul 95

[FBIS Translated Text] Bekmamat Osmonov, head of Osh Regional Council, has submitted his resignation after a court deemed that he was not competent to hold this post.

Newspaper Found Guilty of Libel Against President

LD1107123795 Moscow ITAR-TASS in English
1105 GMT 11 Jul 95

[FBIS Transcribed Text] Bishkek, July 11 (Itar-Tass) - A "Citizen Akayev versus independent newspaper Respublika" trial ended here on Tuesday with Akayev's win. The court found Editor Zamira Sadykova and deputy editor guilty of libellous statements against citizen Askar Akayev and sentenced women-journalists to penalty in the form of deprivation of freedom: 18 months for the Editor and 12 months for Deputy Editor. The sentence is suspended. Both women journalists are deprived of the right to engage in journalistic activities and may not change their place of residence without notifying law enforcement agencies.

The journalists had accused the President of owning a villa in Switzerland and a house in Turkey, the house being allegedly presented by President Suleyman Demirel. Akayev categorically denies the allegations.

This has been already a second trial in Kyrgyzstan, in which journalists were the defendants. Last year a Parliamentary newspaper was closed down by a court order.

Tajikistan

Rakhmanov Visits Khoatlon Region; Gives Address

LD1107214995 Dushanbe Radio Tajikistan Network
in Tajik 1610 GMT 9 Jul 95

[Address by Tajik President Emomali Rakhmanov in Khoatlon region — live]

[FBIS Translated Excerpt] I have asked the leaders of the republic, the heads of the ministries and departments of the republic, as well as of the towns and districts, to resume operations at industrial enterprises and to return the dispersed staff to their work-places. However, as we see, no serious moves have been made on this issue either. I gave a clear instruction to the government to take this issue in hand and to take relevant measures against those leaders who refuse to carry out their duties.

All posts at enterprises occupied by people through chance, or by incompetent people through force or nepotism since the well-known events, are immediately to be transferred to specialists. One cannot make concessions to anyone on this issue, and this also applies to Kulyab in particular.

The time has come for Abduljalol Salimov, the chairman of the Khoatlon region to also draw the necessary conclusions as soon as possible, in line with the chairmen of the republic's other towns and districts.

In 1993-1994 necessary funds and sums were allocated for the restoration of damaged buildings in Khoatlon region. We are not saying that the work was not carried out at all in the region. In the course of the two years, more than 14,000 square meters of accommodation were built and handed over for use, 14,500 burned-out houses were restored, 980 schools were refitted and restored, and 107 health centers were restored in the region. This means that some work is being carried out, but it does not meet requirements, which means that the sums allocated by the government for the restoration of Khoatlon region are not being used entirely.

It is also necessary to say that the loans were not entirely used for the identified goals; in other words in 1994 works were carried out at only 77 sites.

For example, if we see the restoration work at Kulyab airport, 350 tonnes of cotton fiber were allocated to carry out work at this site. According to the agreement, by the beginning of May they [the regional authorities] were to supply modern equipment worth \$360,000 to Kulyab airport, but not a single piece of equipment has yet been dispatched. I have spoken before about the construction of a number of small hotels and the one next to the hall we are in.

I have set a task for the prosecutor's office of the republic to seriously investigate this problem, to uncover those guilty and call them to account before the law.

There is much talk about the opportunities for gold production at the Sangak Safarov mine. Gold is very important for the country, mainly to buy foreign currency and also to ensure the stability of our national currency. However, last year output was 15-fold down on 1990, and the enterprise only started processing gold on 1 May this year. During the course of the intervening two months, only about three percent of the total amount of gold produced last year has been produced.

We have put much faith in the formation of this Tajik-British joint enterprise, but we cannot see any results from the activity of this enterprise. At the same time a joint British gold-producing venture has concluded an agreement with the gold-processing enterprise in Pendzhikent and Shurab [Leninabad region]. The gold-processing industrial enterprise in Pendzhikent District will be put into operation in November 1995, and gold output will reach three tonnes a year, and in three years it will reach seven tonnes.

However, this site [in Khoatlon], although the government has allocated funds for it and granted it privileges, is lagging behind for various reasons. The most shameful aspect is that there are very many gold-lovers, and the law enforcement agencies of the Khoatlon region are standing aside [as gold is stolen].

Of course, we will have to consider at government level the problems that exist here. On the whole, compared to this time last year, industrial output has fallen more than 24 percent, meat twofold, vegetable oil by 35 percent, fat by about 70 percent, and fish threefold. On the whole, decline is seen in all branches of industrial enterprises in the region, except the industrial spinning and weaving enterprise of Kurgan-Tyube.

Can we raise the living standard of the people with this state of affairs?

Here is a simple example, simple arithmetic: The area sown to grain has been reduced to 17,000 hectares, and cotton has been sown to an area 6,400 hectares less than envisaged in the target. On the whole, 27,000-25,000 [as heard] hectares of sowing land were not sown, and 17,000 of this is irrigated land. Is this not a crime? Work it out for yourself: According to the accounts of the tenants here, they are gathering 25 quintals per hectare of grain from dry farming lands. Work out how much grain could be gathered from 17,000 hectares at 20 quintals per hectare?

Khoatlon region turned in 26,000 tonnes of meat in 1991, and during the first five months of this year

Khoatlon region has handed only [word indistinct] 2,000 tonnes of meat. The former Kulyab region used to hand over 70 percent of the entire volume of grain in Khoatlon region, and last year the districts of the Kulyab area sold 2,000 tonnes of grain to the government in all. Now ask Comrade Rakhmanov from whose account can he take it [the unsown grain], when the region does not give a penny to the republic, to the budget, and to the state of the republic? [passage omitted]

At present, neither the production of grain has been increased nor production of cotton, nor the production of cattle-farming products. We have one positive indicator in Khoatlon region, as I have said before: In 1991 there were 1,640 people in Khoatlon region; on 1 January 1995 the number of the region's residents reached 1,960. This means that as the population is increasing, output is declining day by day. The shortcomings in work lead to the shortage of food products, clothing, and other goods today. [passage omitted]

I want to ask the administration heads of the towns, districts, and Khoatlon region when they are going to accept these conditions. When collective and state farms are not able to produce goods, why do their officials need such large staff? Heads of farms, do not be afraid! Do not worry: Not one of you will be left without bread or an office, you will not be left without your cars. If you have really strong hands and good intentions toward the people, you should work. [words indistinct]

Distribute the land and rent it to the people: Cotton land, vegetable land, or gardening land. Look at the Kirov state farm in Vakhsh district, or at other farms: There is a difference there, because these state farms have fully transferred to leasing out land by contract. Land has been distributed. People know when to go to work, without a brigade chief asking them why they did not go to work, or a collective farm chairman asking them why they left work early.

Land productivity in terms of crop yield is twice as high as in public and other farm lands. [passage omitted]

We declared by nationwide referendum that the Republic of Tajikistan is an independent, democratic, law-based, and secular state. In order to build such a state in reality, first of all we must ensure the practical implementation of the demands of the Constitution and constitutional laws, the orders and edicts of the president, the edicts of the Supreme Council, government and other legislative bodies.

Unfortunately, the number of breaches of the law and the crime rate in the republic are still very high. This will have a negative influence on the implementation of measures to increase the living standards of the people,

and to protect the life, rights, honor, and reputation of the citizens. [passage omitted]

I am quite sure that after my visit to Khoatlon region is completed, a special resolution will be adopted on examining all administrative bodies of the republic and, in some branches, courses will be organized for the commanders of the armed units of all ministries and departments in all the power ministries [defense, security, and interior]. If they are young, let them study and gain knowledge, because current conditions demand this. They must become specialists. Most of them are young. They must study on postal or internal courses. We have the opportunities; we have agreements with the higher military school of Russia, we have agreements with other republics, and we must organize this work in our republic as well.

In order to put this situation right, what must be done first of all? First of all, a serious examination of employees should be held at these bodies, and the issue of selection and their placement should be fully reconsidered. From the funds for these bodies, a new special structure for the fight against terrorism will be formed at the Security Ministry of the republic. [passage omitted]

I think the time has come to form a competent government commission to study the activity of the law enforcement bodies with all seriousness, and to submit their conclusions and proposals to the heads of the republic. We cannot accept this type of work any more.

On the sixth working day [of visit to Khoatlon region], the overwhelming majority of the country's residents, the overwhelming majority of them [word indistinct], put only one problem to the head of state: Crime prevention.

In Khoatlon region — do not take offense — every week two crimes are being committed by employees of the law enforcement agencies. As the chairman of the Bokhtar district administration reported in Kolkhozabad, 11 murders in Bokhtar district were committed by employees of the law enforcement agencies. [passage omitted]

Our sincere relations with neighboring countries based on our common interests have given us an opportunity to reach progress in our talks with the opposition to the government. We think that no power except ourselves can settle the future of our people. Many of the sober-minded opposition refugees approve this. We can hope that a mutual understanding will soon be reached with the foreign-based opposition because one lofty idea — the unity of our people and the integrity of the country — unites all of us. Those who have acknowledged this

lofty goal are looking forward to the growth of mutual understanding day by day and step by step. [passage omitted]

News Conference Reviews Status of Opposition Talks

LD1207082995 Dushanbe Radio Tajikistan Network in Tajik 1200 GMT 11 Jul 95

[FBIS Translated Text] A news conference was held today at the presidential palace. First Deputy Prime Minister Mahmadsaid Ubaydulloyev opened the conference with an introductory speech.

Mahmadsaid Ubaydulloyev started by voicing his views on the current political situation in the republic and focussed on the speech by the country's president, Emomali Rakhmanov, who paid a week-long working visit to Khatlon region. The issues revealed by the country's president during his meetings with the working people of Khatlon region are being dealt with by the competent organs, Ubaydulloyev said.

He then spoke about the implementation of the agreement signed in Almaty. It was known that up to now, practical measures have not yet been taken on the exchange of prisoners and POWs. Although the republic's government prepared a list of 106 prisoners for the proposal, the opposition side wanted to propose only a total of [number indistinct] prisoners. According to the Almaty talks this step was to be carried out by 20 July this year.

By 15 July the representatives of the sides are to visit the sites where refugees are staying temporarily and to closely inspect their living conditions. The republic's government has taken some measures in this respect. Specifically, Labor and Employment Minister Shukurjon Zuhurov went to Moscow recently and met with Tajik refugees. Representatives of the Tajik state and a government delegation will shortly go to the Islamic State of Afghanistan — this delegation will also be led by Shukurjon Zuhurov.

In two days a convoy taking aid such as food products and medicines will be sent to the Gorno-Badakhshan Autonomous Region, and this will take refugees to the capital on its way back.

The republic's government has decided to adopt another important document on an amnesty.

In general, the republic's leadership is making great efforts related to the return of refugees, provision of security and sending of food products and essential items to places where the refugees live and work. It is pleasing that international organizations are granting us practical assistance. The UN secretary-general's special envoy,

Priz-Ballon, wishes to talk to the representatives of the government and the opposition before the beginning of the next regular round of talks and to study the ideas and opinions of the sides. In short, the republic's government, supported by international organizations and societies and mediator states will use all possibilities to ensure that the last refugee returns to the republic as soon as possible, and that complete peace and tranquility are ensured.

Local and foreign correspondents took part in the conference and received answers to their questions. Regarding correspondents' questions on the current situation in the Garm area, Mahmadsaid Ubaydulloyev asked for head of the internal affairs committee of the area, Abduvahob Iskandarov, to comment on this issue. Iskandarov, in his speech said that armed groupings had carried out killings in order to frighten militia employees, but that they would not achieve their aim because internal affairs personnel in the Garm area had been brought up to strength using youngsters from outside the area, and they did not allow illegal groupings to hinder the peaceful life of residents in the area.

The prosecutor general of the republic, Amirqul Azimov, and country's foreign minister, Talbak Nazarov took part in the conference.

Political Situation Called Worse

LD1107185995 Moscow INTERFAX in English 1436 GMT 11 Jul 95

[FBIS Transcribed Text] Dushanbe, July 11 (Interfax) — The political situation in Tajikistan has worsened after the fourth round of inter-Tajik talks in Almaty at the end of May through the opposition's fault, First Deputy Prime Minister Mahmadsaid Ubaydulloyev has said.

He said that an upsurge in terrorist attacks against Tajik law-enforcement personnel over the past few days was a confirmation of that.

"The Opposition has turned into a militarized political force relying on terror against its opponents," Ubaydulloyev said.

He said that on July 2 through 5 the Opposition leader Sayed Abdullo Nuri held a conference with the leaders of armed formations in Talukan, Afghanistan. The decision was made to step up terrorist attacks against officials.

More than 200 militants from the detachment led by field commander Salam Mukhabbatov had left for the Garm district, where the number of terrorist attacks has grown markedly since the first days of July.

Ubaydullayev said that the Opposition planned to step up its activity in the towns of Kulyab and Kurgan-Tyube (in the south) and Gissar (in the West of Tajikistan).

The government has been doing everything in its powers to carry out the first exchange of prisoners-of-war with the Opposition, as it was agreed in Almaty. The government and the opposition planned to visit the camps of Tajik refugees in Afghanistan by July 15, but the Opposition, according to Ubaydullayev has failed to send its representatives to the commission to this day.

Ubaydullayev said that President Emomali Rakhmanov was about to issue another (sixth) amnesty decree and package of resolutions to extend wide guarantees and benefits to the returning refugees and forced migrants.

Official Refutes Possible Opposition Terror Campaign

*LD1107202895 Moscow ITAR-TASS in English
1700 GMT 11 Jul 95*

[By Galina Gridneva]

[FBIS Transcribed Text] Dushanbe, July 11 (Itar-Tass) — First Tajik Vice-Premier Mahmadsaid Ubaydullayev supervising the republican law-enforcement bodies has bluntly refuted a possibility of large-scale opposition actions in the republic in summer-fall 1995. In his words, the opposition has neither strength nor social support of the population, most of which fully shares the Tajik government's policy of peaceful political settlement. A statement to the effect was made by Ubaydullayev today in an Itar-Tass interview.

Opposition armed units have chosen for their target active supporters of the legitimate government, including farm heads, local leaders and policemen. The supporters and their families are subjected to brutal reprisals.

In the opinion of the Vice-Premier, some of these groups are acting on their own and are not controlled by the opposition leaders from the Movement for Islamic Revival of Tajikistan whose headquarters are in Afghanistan. However, others are being wisely guided from abroad.

The stake on terror and force is doomed to failure, said the official. The Tajik leadership has enough ways and means to protect the constitutional system and ensure safety of its citizens. The Tajik government so far abstains from large-scale preventive actions.

Situation in Kurgan-Tyube Reportedly Still Tense

*LD1107083295 (Clandestine) Voice of Free Tajikistan
in Tajik 0300 GMT 11 Jul 95*

[FBIS Translated Text] The situation in Kurgan-Tyube is still tense. Reports indicate that skirmishes in the town and in the districts around it occur frequently. According to a reliable report, these clashes are taking place between two groups: the group of Usmon Murchayev, successor of the murdered Izzatullo Kuganov, and the group of Mahmud Khudoyberdiyev from Kolkhozabad.

The clashes started when the region's militia bodies detained three people on a charge of murdering Izzatullo Kuganov. Then, Usmon Murchayev [words indistinct] launched a military expedition to Kurgan-Tyube and demanded the release of the detainees. According to another report, Usmon Murchayev, successor of Izzatullo Kuganov, said that Kuganov is their sixth commander to be murdered by Mahmud Khudoyberdiyev's hand.

Armenia

President, Karabakh Leader Meet on Minsk Group

*NC1107210995 Yerevan Armenia's Radio First
Program Network in Armenian 1900 GMT 11 Jul 95*

[FBIS Translated Text] Armenian President Levon Ter-Petrosyan met today with President of Nagorno-Karabakh Republic [NKR] Robert Kocharyan, who is on an special visit to Armenia. The positions of Armenia and the NKR on the peaceful resolution of the Azerbaijan-Karabakh conflict were clarified in anticipation of the visit to the region by the co-chairmen of the Minsk Group. Matters relating to the socioeconomic development of the NKR were also examined at the meeting.

Nagorno-Karabakh Former Deputies, Minister Arrested

*NC1107182495 Yerevan SNARK in English
0927 GMT 11 Jul 95*

[FBIS Transcribed Text] Yerevan, July 11 (SNARK) — At the July 7 opposition rally in Yerevan, it was stated that Georgiy Petrosyan, former Chairman of the NKR [Nagorno-Karabakh Republic] Supreme Council, had been arrested in Nagorno-Karabakh. Later, other sources informed about the detention of Levon Melik-Shahnazaryan, NKR ex-foreign affairs minister, and Valeri Balayan, ex-deputy of the NKR parliament. The three arrested are members of the Dashnaksutyun party.

As was printed in the "GOLOS ARMENII" (VOICE OF ARMENIA) newspaper, Karen Baburyan, Chairman of the newly elected NKR Parliament confirmed the

fact of arrest. According to him, a special deputy commission headed by Ashot Sargisyan, Chairman of the Human Rights committee, has been established. The commission intends to meet the NKR Prosecutor General to obtain the explanations concerning the arrest.

Nagorno-Karabakh does not officially comment on the arrest. Therefore, Armenia's press can only guess at the arrest's reasons. "AZG" newspaper suppose that the former deputies were arrested due to economic reasons, whereas some observers consider the arrest as a start of a campaign against the Dashnaksutyun party.

Situation at Armenia-Azerbaijan Border Reported

NC1107170495 Yerevan Radio Yerevan in Azeri
1500 GMT 11 Jul 95

[FBIS Translated Text] Dear listeners, we now present a report on the incidents on the border between Armenia and Azerbaijan.

Azerbaijan's military subunits frequently embark on provocative activities against Armenia. They fire on various areas close to Armenia's northeastern border, particularly on Kasnoselsk, Tavush, and Noyemberyan Districts, with various types of arms.

No incidents occurred at the border last night and this morning. Obviously, Azerbaijan is taking a break. Undoubtedly, the lull will not be long. Several border areas, including those we just mentioned, will be fired on in a few days. It will be recalled that the defense positions in Vahan in Krasnoselsk District were fired at on 7 and 8 July. The enemy units fired on those defense positions without any reason. They used various types of arms, including mortars and heavy machine guns. No one was hurt on the Armenian side. The Armenian border guards returned the fire and silenced the enemy positions.

The incidents at the border undoubtedly harm the international effort that is being made to promote the reestablishment of relations between Armenia and Azerbaijan and to resolve the problems between the two countries. However, Azerbaijan does not want to abandon its provocative activities. The recent incidents confirm our viewpoint. Obviously, the words and deeds of the officials in Azerbaijan do not conform.

Republic Bloc Reportedly Wins Parliamentary Election

LD1107190795 Moscow INTERFAX in English
1442 GMT 11 Jul 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, and edited by Vladimir Shishlin]

[FBIS Transcribed Text] The Republic bloc, led by the ruling Armenian Pan-National Movement, has won 20 seats in the republic's new parliament in a recent election, according to the Central Electoral Commission.

Of 40 seats filled by deputies elected by party list eight have gone to the Shamiram women's party, most of whose members are the wives and other relatives of top statesmen, a commission member told INTERFAX, commenting on the July 5 parliamentary election.

Six seats have been obtained by the Communists, three by the National Democratic Union and another three by the National Self-Determination Association.

Only those five organizations mustered more than 5% of votes in the party-list poll, a minimum necessary to receive seats in the legislature.

The rest of the seats, 150, were contested on a majority vote basis, but the returns of that part of the voting will be clear by July 15, the commission member said.

Shamiram's performance has been hailed by President Levon Ter-Petrosyan's wife.

Lyudmila Ter-Petrosyan, honorary president of the All-Armenia Women's Union, said they party's success reflected the fact that "today the role of the Armenian woman in the public and political life of the country has considerably increased."

"Through the centuries, the Armenian woman has been seen as an embodiment of motherhood, loyalty, patriotism, and readiness to become a reliable support for her husband. Today too women are ready to rise to the defense of the revived independent Armenia, for the defense of the victory of democracy," Armenia's first lady said.

SICU Urges Invalidation of 5 Jul Election

NC1107193895 Yerevan NOYAN TAPAN in English
1709 GMT 10 Jul 95

[FBIS Transcribed Text] 10/07/95 NOYAN TAPAN — At a July 7 rally held in Yerevan Leader of the Scientific-Industrial and Civil Union (SICU) Aghasi Arshakyan made public the following statement:

"...Political activity of the population and fear of defeat in the elections and the referendum forced the authorities to commit numerous violations and falsifications during the pre-election period, which were added by a blatant pressure by governmental bodies, criminals and other suspicious groups. Presence of some 200 monitors in no way influenced the process.

"Thus, July 5 elections unveiled anti-national and unlawful character of the current authorities, and their readiness to pass all moral and law bounds for the sake of power.

"Under these circumstances SICU considers: 1) Results of the elections and the referendum on Constitution are fully rigged and therefore cannot serve as a basis for establishment of any strand of power; 2) None of SICU's members will participate in the work of National Assembly or any other structure elected this way; 3) SICU calls off its representative from the Central Electoral Commission to exclude appearance of his signature under illegal and anti-constitutional document; 4) Several percents given to various political organizations as a 'gift' for such a 'super victory' of AANM (Armenian All-National Movement), must be thrown back, so that not to tarnish political and moral image of the opposition parties and organizations.

"A decision by the current Supreme Council, which will continue to operate until July 21, to declare the July 5 elections invalid and arrange new elections could be the only way out of the created situation. We also consider it to be the only way to eliminate the deepening gap that appeared between the population and the leadership".

Azerbaijan

Further Reportage on Turkish Premier's Visit

Ciller Meets Meskhetian Turks

NC1107154495 Baku Azerbaijan Radio Televiziyasi Television Network in Azeri 1250 GMT 11 Jul 95

[FBIS Translated Text] The Turkish Prime Minister Mr. Tansu Ciller met today at the presidential residence with Meskhetian Turks living in Azerbaijan. The representatives of the Meskhetian Turks, who have settled in the Saatly, Sabirabad, and Ganja regions, and the representatives of their ethnic societies conveyed their compatriots' requests to Mrs. Tansu Ciller and briefed her on the fate of the Akhska Turks [Meskhetian Turks] who have been displaced from their own country [Georgia] for the last 50 years. It was noted that the representatives of the Akhska Turks have made 157 appeals to Moscow and 400 to the Georgian authorities between 1957-1991, asking to return to their historic homeland. Unfortunately, these efforts have been ineffective.

The Meskhetian Turks, who were dispersed to 11 CIS countries following the Fergana incidents, are now settled in 4,266 cities and villages. Because of the political and economic crisis in these republics in recent years, the Meskhetian Turks residing there too are in difficulty. They need the material and moral support of the entire Turkic world, particularly of the Turkish Republic.

After listening to the Akhska Turks, Mrs. Tansu Ciller said that the Turkish Government is focusing on this problem and noted that every effort will be made to allow the Akhska Turks to live on the land where they used to reside; only time and patience is needed for the fundamental solution of the problem.

Letters from the Akhska Turks in Azerbaijan were handed over to Tansu Ciller at the end of the meeting.

Aliyev, Ciller Attend Bank Opening

NC1107203195 Baku TURAN in English
1304 GMT 11 Jul 95

[FBIS Transcribed Text] Baku /11.07.95/ TURAN — Today there was ceremony of opening of the joint Azerbaijani-Turkish "Azturbank". Azeri President and Turkey's Prime-Minister, Tansu Ciller, took part at the ceremony. President Aliyev and Tansu Ciller invested \$1,000 each to the personal accounts of the bank and they have become the first clients of the Azerbaijani-Turkish bank.

Azeri "Agroprombank" and Turkish "Ziraat Bank" are the founders of the bank.

The President of "Agroprombank", Mamed Musayev, said during the ceremonial opening of the bank, that new bank will be engaged in all banking operations within Azeri legislation.

He said that "Agroprombank" hopes on co-operation with the Turkish partners on exchange of experience on computerisation of banking system in the future.

As President of "Ziraat Bank", Cihan Pacace, said that new bank gives great hopes for development of Azerbaijani-Turkish economic relations. The authorised capital of "Azturbank" totals \$1 million and it will be increased in the future. The share of each side in the authorised capital is 50 percent.

President of "Agroprombank", Mamed Musayev, is appointed the Chief of the Council of "Azturbank" and Nevzad Vangel, the representative of "Ziraat Bank", is appointed the Chairman of the Board of administration of new bank. The Council of "Azturbank" consists of 6 persons and it will be engaged in establishment of discount rates, size of credit, selection of clients

and others. Three members of the Council are Azeri citizens and three — Turkish citizens. The Board of Administration of the bank will be engaged in settlement of the current issues. The chief of administration has two deputies — one from each side.

The agreement concerning creation of the bank was signed on May 25, 1995 in Ankara.

"Ziraat Bank" is the state bank with orientation to agriculture and it functions since 1860.

Aliyev, Ciller Comment After Talks

NC1107210195 Baku Azerbaijan Radio Televiziyasi Television Network in Azeri 1807 GMT 11 Jul 95

[FBIS Translated Text] High-level meetings between Turkey and Azerbaijan were held on the second day of the official visit of the Turkish Prime Minister, Mrs. Tansu Ciller, to Azerbaijan at the invitation of the Azerbaijani President Geydar Aliyev.

The Azerbaijani president stressed the importance of the joint talks and negotiations held over the last two days, and noted that this visit is an important event in the development of cooperation between the two countries.

Tansu Ciller expressed pleasure at the sincere interest shown in her by her Azerbaijani brothers and sisters and hoped the talks will produce auspicious results.

After the formal talks, the Azerbaijani President Geydar Aliyev and the Turkish Prime Minister Tansu Ciller held a news conference.

Describing the Turkish prime minister's visit to our republic as an exceedingly important event and expressing satisfaction at the talks, Geydar Aliyev noted that the two-day talks were positive, and concrete steps have been taken to consolidate the economic ties between the two fraternal countries. He stated that a fruitful exchange of views was held and agreements were reached on the positions of Azerbaijan and Turkey in the world politics.

As for the solution of the Karabakh problem, the president informed the reporters that both countries are equally supportive of the peaceful conclusion of the 13-month cease-fire, provided that Azerbaijan's territorial integrity is ensured and the refugees are returned to their homes. While stressing Turkey's dynamism at OSCE Minsk Group talks, the Azerbaijani president noted the need for additional measures in this area. He expressed the conviction that Turkey will continue to attract world attention to the just voice of Azerbaijan, and will continue defending justice and fairness.

The republic's president said that some difficulties had arisen over the payment of interest on the \$60 million

loan allocated by Turkey in 1992, but that following talks with the prime minister an agreement has now been reached to extend the repayment period by two years. He indicated that the remaining \$190 million credit will be allocated in 1995 and 1996.

The Azerbaijani president said that businesslike talks were held on restoring through joint efforts those enterprises whose work has been disrupted by the collapse of the former economic mechanism and the months-long closure of the northern railroad, and that a group of Turkish businessmen will visit Azerbaijan for this purpose.

Mrs. Tansu Ciller noted that Turkey has always been on Azerbaijan's side in its difficult days, and her country is ready to help all it can to revive the economy and implement the state's privatization program. She feels that the extension of the interest payment period and the extension of the \$190 million credit testifies to this policy.

She noted that her country is interested in having the oil pipeline, needed to export Azerbaijani oil, cross Turkey, and in the construction of Turkey-Nakhichevan railway.

She said the most important task will continue to be to firmly explain Azerbaijan's just cause to the world. Mrs. Ciller, who was touched by her meeting with the refugees, stressed that if there really is such a thing as the defense of the human rights in the world, then an end should be put to this injustice, which neither Azerbaijani nor Turkish citizens can tolerate. Many things will change in the coming years, the only unchangeable thing will be the ties of friendship and fraternity between Turkey and Azerbaijan.

Replies were given to reporters' questions concerning the working conditions of businessmen in Turkey, the implementation of the privatization program, the oil pipeline route, and many other problems.

A memorandum was signed between the two countries after the news conference

Delegation Head on Visit to Nagorno-Karabakh

NC0807175795 Baku TURAN in English 1536 GMT 8 Jul 95

[FBIS Transcribed Text] Baku 08/07/95 TURAN—Azerbaijani National Committee of Helsinki Civil Assembly distributed the statement due to misrepresentation of the sense of the press-conference conducted by the Committee after the visit to Yerevan and Stepanakert from May 28 to May 29 by several journalists.

During the visit of the Azeri law-enforcement agents to Armenia and Nagorno-Karabakh, Armenian politi-

cians have precisely presented their position to the Armenian-Azerbaijani conflict settlement with recognition of Nagorno-Karabakh's independence with account of the current situation and "real balance of forces".

Having returned to Baku, the delegation of Azerbaijani National Committee of Helsinki Civil Assembly conducted the press-conference and distributed the position of the Armenian political leaders and the Republic of Armenia. It has been stressed that the Armenian nation suffers from the consequences of the war and it has become the hostage of the policy of separatism and aggression. It has been announced that the peace without war is possible under two conditions: either capitulation of Azerbaijan and recognition of independence of Nagorno-Karabakh (in one or two stages) or creation of strong National Army in Azerbaijan for the balance of forces and possibility of repulse of new attempt of seizure of the Azeri territories (such threat still remains). The stable economy and democratic society will become the pledge of equal and fair negotiations and will make Armenians to overestimate their position and recognize the principle "limit of mutual concessions" and existing norms of the international law by both sides. This position has been presented by several incompetent journalists as the appeal to the war.

Due to this fact the Azerbaijan National Assembly of Helsinki Civil Assembly states that it is against the war with Armenia, against hostility towards the Armenian nation and infringe of the rights of the Armenians of Nagorno-Karabakh. The Committee comes for creation of effective mechanism for protection of rights of Armenians of Nagorno-Karabakh under the international control, for observation of the human rights of the Azeri citizens of Armenian nationality and their right to self-management. However, the Committee never confuses peace-keeping process with the complicity in seizure of the territories and aggression, people's diplomacy with indulgence to the national illusions and rationalism with defeatism.

The Committee is confident that deviation from these fundamental political and legal positions will plunge the world into abyss of endless wars for re-division of the territory with the purpose to create pure ethnic states, as it happens in Bosnia, Abkhazia and Nagorno-Karabakh. The only way to avoid these utopian and immoral positions leading to the wars and victims is strengthening of democracy and multinational democratic societies, Azerbaijani National Committee of Helsinki Civil Assembly believes.

Despite the Armenian aggression and occupation of part of Azeri territory, the Committee believes that Azerbaijani and Armenian peacekeepers can work together to search for the peaceful ways of the conflict settlement.

The Committee will continue cooperation with the Armenian peace-keepers and the law enforcement agents and will never step back from its principal policy of the world protection on the basis of the norms of the international law, human rights, the UN Human Rights Declaration and the rights of the state on the basis of the UN Charter.

Deputy Premier on Economic Agreement With Russia

*LD0807122995 Moscow ITAR-TASS in English
1201 GMT 8 Jul 95*

[By Oleg Velichko]

[FBIS Transcribed Text] MOSCOW, July 8 (ITAR-TASS) — An agreement on trade and economic cooperation between Russia and Azerbaijan, which was signed here on Saturday [8 July], presupposes complete opening of transport lines between Russia and Azerbaijan, Azeri first vice-premier Abbas Abbasov told ITAR-TASS here today.

At the same time, the document provides for tackling difficulties with mutual settlements and mutual clearing payments between the two countries, he stressed.

Abbasov noted that the Azeri debt to Russia totals 81 million U.S. dollars which will be paid gradually. The vice-premier said that Azerbaijan submitted 12 draft documents for the consideration of the Russian government, which are aimed at deepening cooperation, including in the sphere of culture, standardisation, metrology as well as joint development of the Caspian sea.

The sides agreed on rescheduling debts for technical credits as well as on transit and passenger and freight traffic which will be carried out without quotas and licences.

Banking Institutions in Azerbaijan, Capital Cited

*NC1107202995 Baku TURAN in English
1304 GMT 11 Jul 95*

[FBIS Transcribed Text] Baku /11.07.95/ TURAN — At present 194 banks with the authorised capital 50,498 million manats function in Azerbaijan including 106 joint-stock commercial with the authorised capital 37,754 million manats and 88 commercial banks with the authorised capital 12,744 million manats.

The list of the bank-leaders is headed by the National bank, 4 state joint-stock commercial banks (International bank, Prominvestbank, Agroprombank, Saving

bank), 7 banks with the foreign capital (Ozbank, Nahturbank, Azturkbank (with Turkey), "ARTbank", "Azak" (with Russia and Turkey) "Milli Iran" (with Iran), Yurdbank (with Russia).

Joint Ventures Progress Assessed

NC1107203395 Baku TURAN in English
1304 GMT 11 Jul 95

[FBIS Transcribed Text] Baku /11.07.95/ TURAN — Presently 1,199 joint ventures with 380 of them founded together with the Turkish firms are registered in Azerbaijan. 118 and 54 of them with total number of employees 4,960 and 900, respectively, function.

Over 4 months of 1995 they produced goods and provided services standing at 10.1 billion manats and 3.2 billion manats, respectively. Over the same period the investments totalling 5,526 million manats and 272 million manats, respectively, have been spent.

Average monthly wages at joint ventures total 240,000 manats and 144,000 manats.

Georgia

Shevardnadze Meets Russian Council Chairman

LD1107162095 Tbilisi IPRINDA in Russian
1505 GMT 11 Jul 95

[FBIS Translated Text] Tbilisi, 11 Jul (IPRINDA) — On the evening of 11 July Georgian Head of State Eduard Shevardnadze met Vladimir Shumeyko, the chairman of the Russian Federation Council.

At the meeting they discussed a wide range of domestic and foreign policy issues, prospects for cooperation, and so on. At an improvised news conference after the meeting, Shumeyko said that during the meeting the sides had again stressed that they would not be able to manage without each other. Russia has a vested interest in Georgia developing as a single, unified and strong state — above all an economically strong one. From now on we will start taking practical steps, stressed Shumeyko. He reminded journalists that on 10 July in Tbilisi, Georgia and Russia had signed an agreement in the sphere of power engineering. He said that Russian enterprises would provide all-round assistance for the restoration of the Georgian power grid, which would lead to the development and improvement of industry.

On the issue of the Abkhaz conflict, Shumeyko said that Russia was playing a peacemaking role in the region. He told journalists that he would meet the commander of the Russian peacekeepers in Abkhazia General Vasily Yakushev and called for practical steps allowing refugees to return to their homeland, at least to

Gali district for a start. He said: "No one has any doubt that Georgia is an independent and sovereign state."

Asked by journalists about the health of President Yeltsin, Shumeyko said that Yeltsin's condition was fairly normal and that he was in full working order. However, until the end of the week he would remain under medical supervision.

Shumeyko then met refugees from Abkhazia who had been staging a protest outside the Georgian Parliament for more than a week, demanding a speedy return to their homeland.

Shumeyko on Russian Aid

LD1107200495 Tbilisi Radio Tbilisi Network
in Georgian 1850 GMT 11 Jul 95

[FBIS Translated Text] Head of State Eduard Shevardnadze received Vladimir Shumeyko, chairman of Russia's Federation Council, today. The one-on-one discussion lasted for over an hour and was followed by an expanded meeting. Shumeyko and Shevardnadze exchanged views on the work of their countries' parliaments. It was said that closer contacts were to be established between the two countries' parliaments. In this connection, an interparliamentary cooperation agreement would be signed tomorrow.

It was stressed that the protection of Georgian territorial integrity was part of Russia's strategic interests. The Abkhaz problem should be solved against this background, and its resolution would be a prerequisite for stability in the Caucasus. This approach became clearly evident during President Shevardnadze's meetings with President Yeltsin and Defense Minister Pavel Grachev. Significant steps in that direction are expected to be made in the next few days.

Russia's allocation of 10 billion rubles for Abkhazia will be used to deliver foodstuffs to the population of Abkhazia. It was suggested that a proportion of this aid should be given to repatriated refugees. The Russian side emphasized that Russia is adhering strictly to the norms of international law and that in tackling this problem it did not intend to bypass the official authorities of Georgia. Mr. Shumeyko raised the issue of providing assistance for Georgia's military pensioners.

In conclusion, Mr. Shumeyko answered questions from journalists in the official reception hall.

Further on Shumeyko's Visit

LD1107204195 Moscow INTERFAX in English
1745 GMT 11 Jul 95

[FBIS Transcribed Text] TBILISI, July 11 (INTERFAX) — Russia is interested in Georgia developing as

a strong and united state, Vladimir Shumeyko, speaker of the Federation Council, the upper house of Russian parliament, and head of the CIS Interparliamentary Assembly, told journalists in Tbilisi Tuesday. Shumeyko heads a Federation Council delegation that arrived in Tbilisi on July 11 for a three-day official visit.

According to Shumeyko, practical steps will be taken from today onwards to develop relations between Russia and Georgia. A treaty on partnership in the energy sector, that is a base for the economy, was signed the day before and is an example of cooperation between the two countries, said Shumeyko.

Speaking on the issue of Abkhazia, Shumeyko said that "measures aimed at returning refugees to the Galskiy region" would be taken in the course of a few days, in order to make the "process irreversible in the future."

Shumeyko also touched upon the issue of humanitarian aid to the victims of the recent flood in Abkhazia. The media was "a little too speedy" in covering the issue, he said. He explained that the Russian government "did discuss the issue and it intends to provide a total of 10 billion rubles in food aid and, of course, to make the deliveries through appropriate Georgian state bodies."

Abkhazia Opposes Georgian Plan To Distribute Aid

LD1107222095 Moscow Russian Television Network
in Russian 1900 GMT 11 Jul 95

[From the "Vesti" newscast]

[FBIS Translated Text] The commission of experts from the Russian Ministry for Emergencies, which is in Abkhazia at the Russian Government's instruction is continuing work to determine the amount of aid required by the republic. Today the Abkhazian Cabinet of Ministers voiced its bewilderment caused by a statement by Georgian leader Eduard Shevardnadze. The Abkhazian authorities are worried by the Shevardnadze government's demand that humanitarian aid should be dispatched to the republic in need through Tbilisi. If this takes place, the Abkhazian leadership is convinced that all aid will be stolen before reaching its destination. Moreover, the Abkhazian government believes that Georgia has no right to distribute humanitarian aid that does not belong to it.

Ex-President's Party To Play 'Important' Role

AU1207115895 Tbilisi MIMOMKHILVELI
in Georgian 6-12 Jul 95 pp 1, 2

[Report by Zurab Giorgobiani: "Zviad Gamsakhurdia's Supporters — Before the Future Elections"]

[FBIS Translated Text] The participation of [ex-President] Zviad Gamsakhurdia's supporters in the

future elections could become quite an important factor, so important, in fact, that it would be a mistake for any force or person not to take it into account as this social strata embraces a very big part of the Georgian electorate, bigger than certain observers think.

During the last few months, very interesting processes have been taking place within this social group. A confrontation has shaped out between two opposing positions. Tengiz Kikacheishvili [deputy chairman of the "Roundtable"] and his supporters are categorically opposed to participating in the elections and are calling upon people to boycott them. The reason for this is clear: In their view, participation in elections arranged by Shevardnadze's government would mean recognizing this very government, that is to say, giving some kind of legitimacy to the real situation that took shape following the coup in Georgia in December-January [1991-92]. Therefore, Kikacheishvili's group (we can tentatively call them "fundamentalists") are calling upon the population of Georgia to ignore these elections. However, upon close observation, these calls are not so active; as can be seen, Kikacheishvili does not have any hope that, in the prevailing situation, a boycott will really take place. Therefore, he is rather fixing his position in order to preserve the idea of irreconcilable opposition toward the Shevardnadze government more for the sake of history than proceeding from the demands of the current situation.

The second group includes such well-known figures as Mukhran Machavariani, Vakhtang Bochorishvili, and Elizbar Javelidze [cofounders of the "United Georgia" opposition movement]. They can be called (also tentatively) "liberals" — in any case, compared with the first group, their position is more liberal. They are calling upon the population to boycott the presidential elections, although they support the parliamentary elections and are themselves ready to take an active part in them. Recently, several meetings have been held on their initiative in different regions and they have attracted fairly large audiences (for example in Kutaisi). According to a sociological poll held in Tbilisi, the former "Round Table" has a serious chance [of success] in the future parliamentary elections; at any rate, according to preliminary figures, this party will undoubtedly cross the "5 percent" threshold along with [Shevardnadze's] Union of Citizens, the [opposition] National-Democratic Party, the [United] Communist Party, the [moderate] Union of Traditionalists, and the [opposition] "Republicans" [United Republican Party]. It is significant that, according to the polls, the movement embracing the supporters of the ex-president will gather even more votes than the Republicans. It is also significant that the leaders of the aforementioned parties (except for the Union of

Citizens, for obvious reasons) are already avoiding constantly mentioning and cursing Zviad Gamsakhurdia and his supporters on the front pages of the press. Could this be because they are now laying the ground for an unavoidable political alliance in the future Parliament and do not want to offend potential allies?

The arrival of the members of this movement in power (provided the authorities will allow them to participate in the elections at all) will qualitatively change the political situation in the country as, in order that Parliament can function normally, it will become possible and necessary to make compromises with that force that is not recognized by the current ruling political elite and

is viewed as "history." As it has turned out, this factor exerts an influence even now and, rather than being "history," is actively participating in the creation of the future political mosaic. The situation will change even more radically if any one of Shevardnadze's opponents is victorious in the presidential elections — he will undoubtedly try to win over that social stratum only, naturally, not by making significant political concessions but rather by taking symbolic steps. We can conclude that Zviad Gamsakhurdia, as a political phenomenon, is indeed "alive" and still exerts an influence on Georgia's political life.

Estonia

Russian Deputy Foreign Minister Krylov Pays Visit

Received by Sinijarv

LD1107170595 Tallinn Radio Tallinn Network
in Estonian 1400 GMT 11 Jul 95

[FBIS Translated Text] A date for the meeting between Estonian Foreign Minister Riivo Sinijarv and Russian Foreign Minister Andrey Kozyrev has not yet been set. Sinijarv and Russian Deputy Foreign Minister Sergey Krylov, who is visiting Tallinn, did not set any date for the meeting today, Juri Arusoo, press secretary of the Ministry of Foreign Affairs, told the Baltic News Service.

According to Arusoo, the meeting between Sinijarv and Krylov focused on improving relations between Estonia and Russia. Sinijarv and Krylov said the main issues were revision of and adjustments to the basis of the Estonian-Russian agreements, necessary changes in the agreements and new agreements that should be concluded, Arusoo said.

Sinijarv and Krylov talked about continuing the negotiations between the two countries, which came to a standstill some time ago, Arusoo added. Sinijarv and Krylov also spoke about cooperation between the Foreign Ministries of the two states.

Krylov also met Prime Minister Tiit Vahi and Raul Malk, a deputy chancellor of the Ministry of Foreign Affairs, today.

Sees 'Gradual Rapprochement'

LD1107204595 Moscow INTERFAX in English
1745 GMT 11 Jul 95

[FBIS Transcribed Text] TALLINN, July 11 (INTERFAX) — Deputy Russian Foreign Minister Sergey Krylov believes there has been a gradual rapprochement between Russia and Estonia lately.

Speaking about the results of his talks with Estonian Prime Minister Tiit Vahi and Foreign Minister Riivo Sinijarv, Krylov told a news conference in Tallinn Tuesday that he gave a positive assessment to the readiness of the Estonian side to submit the agreements on the withdrawal of Russian troops and on social guarantees to military pensioners, signed in Moscow on July 26, 1994, to parliament for ratification.

"I am ready to come to Estonian parliament myself to explain the Russian point of view. For us the ratification of these documents is a primary aim," he said.

Krylov said he had handed the Estonian foreign minister a letter from Andrey Kozyrev, which explains

Moscow's stand on improving relations between Estonia and Russia. Krylov said Kozyrev was prepared to meet with his Estonian colleague.

According to the diplomat, the meeting "must be prepared well, but must not be postponed." He said a significant document should be prepared for signing at the meeting.

Krylov noted that the attitude to the Russian-speaking population was improving in Estonia, which is proved by the amendments made to various laws and governmental acts.

"However, we see the difference between a law and putting it into practice. We believe that human rights are not a state's internal affair," said Krylov.

To a question by Interfax on the possibility of Russia recognizing the Tartu peace treaty of 1920, on which the Estonian side insists, the diplomat said that "the treaty had played its part in the acquiring of independence by Estonia. But it is no longer valid and is not legally binding today."

GDP Growth During 1st Quarter Detailed, Contrasted

WS1207101395 Tallinn BNS in English
1604 GMT 11 Jul 95

[FBIS Transcribed Text] Tallinn, Jul 11, BNS — The real growth of Estonia's gross domestic product in the first quarter this year was 4.3 percent when compared with the same three-month period a year ago, the Bank of Estonia said in a report.

The same report posts a 1.8 percent decline in the first-quarter GDP when compared with the last quarter of 1994. Central bank analysts in their comments to the report say the decline can be attributed to seasonal factors.

The negative growth is mainly due to the payment of Christmas premiums and increased spending which in some years even exceeds income.

The central bank in a report earlier this year said the country's GDP rose 4.7 percent in 1994. In a report conflicting with that of the central bank, the government presented data by the Statistics Department showing a 3.2 percent negative GDP growth for 1994. Both have blamed the discrepancy on differences in calculation methods.

Expecting the final figures soon, observers so far have quoted a survey by the International Monetary Fund which puts the 1994 GDP growth in Estonia at about 5 percent and forecasts a 6 percent growth for the current year.

April and May have been marked by a seasonal growth of economic activity, the central bank says. The index of economic growth was up 4.2 percent in April this year, compared with 3.9 percent in April 1994. The increase in the growth index for May was even more impressive — 4.8 percent compared with 2.6 percent the same month a year ago.

The central bank in its calculation of the economic growth index uses both income and consumption indices.

The report also points out that the producer price index in Estonia fell in May — for the first time in any separate month since the monetary reform in June 1992.

Latvia

Prime Minister, Russia's Krylov Discuss Relations

LD1007163295 Riga Radio Riga Network in Latvian
1600 GMT 10 Jul 95

[FBIS Translated Text] Russian Deputy Foreign Minister Sergey Krylov and a delegation of that country ended their visit to Latvia on 10 July. Current relations between the two countries were discussed during a meeting with Prime Minister Maris Gailis. Sergey Krylov expressed the opinion that, unfortunately, two years had been lost in Latvian-Russian relations and now that time had to be recovered.

Maris Gailis, for his part, noted that the tackling of several important problems in Latvia over that period of time would enable the creation of a basis for stable relations with Russia.

Speaking of economic cooperation, the Russian diplomat asked Latvia to show more initiative in this sphere. He also spoke in favor of widening contacts between the two countries in education and science.

Foreign Minister Holds Briefing

LD1007184195 Moscow INTERFAX in English
1649 GMT 10 Jul 95

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] RIGA, July 10 (INTERFAX) — Latvian Foreign Minister Valdis Birkavs on Monday expressed optimism about his country's relations with Russia.

"The period of 'cold war' between Latvia and Russia is over, and a time of serious work has begun," Birkavs told a news conference in Riga called to sum up a visit to the Baltic country by Russian Deputy Foreign Minister Sergey Krylov.

Birkavs said the two sides had decided there was a need for joint efforts to prevent the transit through Russia and Latvia of illegal emigrants from third countries but he said there were still disagreements on the issue. Krylov explained that Moscow refused to take responsibility for those who illegally arrive in Latvia after traveling through Russia, since "the Russian Federation in such a case is only a transit stage."

Krylov said Russia was ready to give Latvia access to Russian archives that deal with Latvian affairs, including the archives of the NKVD and KGB, former Soviet security services.

During his three-day visit, the deputy minister met members of organizations professing to represent Latvia's Russian-speaking population, who complained that, while Moscow claimed that it defended Latvia's ethnic Russians, it was doing "nothing at all" to reach accords with Riga to transfer such defense onto a practical plane.

Krylov, however, commenting on the life of Latvia's Russian-speaking community, said: "The fact that there are not too many people who would like to leave Latvia says something in favor of the Latvian government. The latter is demonstrating that it is interested in having the human rights problems solved."

Results of Talks Detailed

WS1107114695 Tallinn BNS in English
1000 GMT 11 Jul 95

[FBIS Transcribed Text] Riga, Jul 11, BNS — A Latvian-Russian intergovernmental committee will be set up soon for solving both states' cooperation issues, Russian Deputy Foreign Minister Sergey Krylov said Monday at a press conference.

The committee will be led by the Deputy Prime Minister and Communication Minister Andris Gutmanis from the Latvian side. Russia has not yet appointed its candidate.

Krylov praised several documents which were prepared for this visit by the Latvian Foreign Ministry. These documents are the agreement on work of the intergovernmental committee, the mechanism of sending back illegal immigrants as well as an accord on cooperation in the sphere of meteorology and standardization.

Latvian Foreign Ministry's State Secretary Maris Riekstins said that agreement on many bilateral cooperation issues was reached during talks with the Russian representatives. Both sides agreed that a delegation of Russian economists will arrive in Latvia at the end of July which will solve economic cooperation issues, including the problem of getting back money "frozen" in Russian

banks. They will also resolve the question of introducing a more favorable trade regime between Latvia and Russia as well as in separate border areas.

Latvian and Russian representatives have agreed on solving several consular issues in the near future. Latvia has supported Russia's desire to expand the consulate activities' territorial area in Liepaja. In turn, Krylov backed Latvia's proposal on opening a consulate in Krasnojarsk where a large Latvian community is living.

During the talks, both sides failed to agree on the order of returning illegal immigrants. Krylov said that Russia cannot accept Latvia's views that Russia must take back all illegal refugees who arrive in Latvia from Russia.

Krylov said, if a state has permitted entrance of other country's residents in its territory, the state has to take up full responsibility for the arrived persons. He noted that it is a principle, accepted by international practice.

During the meeting, the Latvian Foreign Ministry submitted, however, its draft agreement which regulates returning of illegal immigrants. Experts of migration services and the Foreign Ministry are scheduled to meet soon in order to solve matters related to decreasing the flow of illegal refugees and conveyance of illegal cargos.

Latvia and Russia also failed to agree on determination of the interstate border. Russia has agreed to take into account the Peace Treaty, concluded between both the states in 1920. It is not yet clear if this "reference" will have a juridical or historical aspect.

During the talks, Latvia expressed dissatisfaction about Russia's activities in solving matters related to withdrawal of Russian servicemen, retired after Jan. 28, 1992. Russia promised to accelerate consideration of the issue and informed that only 1,300 military pensioners of this category have remained in Latvia. The Latvian Foreign Ministry holds information that the number of these persons equals 1,700.

Latvia informed Krylov about Russia's debt of 5 million U.S. dollars for ship repair. Riekstins said that these ships have been detained in the respective repair-plants and fines for the delayed payments are being calculated.

Riekstins noted that both sides also agreed on the necessity to organize meetings of the Latvian and Russian foreign and prime ministers.

As to the situation of the Russian-speaking Latvia's residents, Krylov said that the small number of individuals who want to leave Latvia speaks in favor of the Latvian government.

Krylov promised that Russia will hand moral and financial assistance to non-citizens living in Latvia. This

issue, however, will have to be solved not only by Latvia and Russia but also with help of the Organization for Security and Cooperation in Europe, the Baltic Sea States Council and the U.N., said Krylov.

Inflation Rises by 14.1 Percent Since Jan

*WS1107092795 Tallinn BNS in English
1637 GMT 10 Jul 95*

[FBIS Transcribed Text] Riga, Jul 10, BNS — According to information, provided by the State Statistical Committee, consumer prices went up by 1.5 percent in Latvia in June.

The total sum of six-month inflation in Latvia is 14.1 percent.

June consumer prices' index was considerably influenced by raising charges for several services — electricity tariffs by 18 percent, water supply and sanitation tariffs by 3.1 santims, prices for liquefied gas in bags — by 2.4 percent and for gas in network by 2.3 percent.

Prices for communication services increased by 6.1 percent.

Prices for food went up by 1 percent, for alcohol and tobacco — by 0.5 percent, for clothes and footwear — by 1 percent. Compared to May, expenses for apartment upkeep increased by 4 percent, for housekeeping — by 1.4 percent and for transport and communications — 1.2 percent, for recreation, culture and education — by 0.7 percent.

Prices have gone down only for health care.

As to separate products and services, prices have considerably decreased for some agricultural products: for butter — by 10 percent, for eggs — by 4 percent, for milk and milk products — by 3.6 percent.

Prices for grain products are rapidly increasing already for the second month: bread became more expensive by 2.9 percent and grain products — by 7.3 percent.

Increase of grain product prices, continuing for the second month, can be explained with the lack of grain in Latvia (in May grain product prices went up by 4.1 percent). Costs of grain products are expected to grow in July even more rapidly.

In the same time period, inflation rate in Lithuania has been smaller than in Latvia and it went up only by 1 percent in June. In turn, prices went up by 2.3 percent in Estonia and by 6.7 percent in Russia.

Lithuania

Chinese Legislative Delegation Arrives on Visit

WS1107112895 Vilnius ELTA in English
1201 GMT 10 Jul 95

[From "News Bulletin" No. 795]

[FBIS Transcribed Text] Vilnius, July 10, ELTA — On Monday the Chinese National Assembly delegation arrived on a four-day visit in Lithuania from Riga.

It was foreseen that the guests from China would meet Lithuanian Seimas [parliament] Chairman, Prime Minister, Lithuanian Foreign Ministry officials, members of the Seimas Foreign Committee and the State and Law Committee on Tuesday.

On Wednesday the Chinese delegation would visit Kaunas and meet town's mayor and representatives of the Kaunas Industry and Trade Chamber.

On the last day of the visit to Lithuania, Thursday, the Chinese parliamentarians would have discussions with representatives of the Seimas Lithuanian democratic labour party and opposition factions, visit Vilnius University and give a press conference.

The Chinese delegation is headed by deputy Chairman of the Permanent committee of the National Assembly Wang Hanbin, which also consists of National Assembly deputies and members of different commissions and societies.

Meets With Seimas Chairman

LD1107143795 Vilnius Radio Vilnius Network
in Lithuanian 1300 GMT 11 Jul 95

[FBIS Translated Excerpt] Interstate and interparliamentary relations between Lithuania and China are developing favorably, Lithuanian Seimas [parliament] Chairman Ceslovas Jursenas said today at a meeting with members of a delegation of the Chinese National People's Congress [NPC]. The Chinese delegation of 13 members arrived in Vilnius yesterday.

At the meeting with Seimas Chairman Jursenas and Seimas Chancellor Germanas, the members of the Chinese parliament reported in detail on the issue of Tibet Province. According to them, the concern of some of the Lithuanian Seimas' members about the situation in Tibet is caused by incorrect or distorted information. The guests also met with Prime Minister Adolfo Slezevicius today. [passage omitted]

Jursenas, NPC Members Brief Media

WS1107143995 Tallinn BNS in English
1300 GMT 11 Jul 95

[FBIS Transcribed Text] Vilnius, Jul 11, BNS — Lithuanian parliament Chairman Ceslovas Jursenas and deputies of the All China Assembly of People's Representatives said Tuesday they were satisfied with the active development of governmental and parliamentary ties between their countries.

Speaking at a joint news conference in Vilnius, Jursenas and Chinese lawmakers said the success of bilateral relations was witnessed by Lithuanian President Algirdas Brazauskas' official visit to China last year and the recent opening of a Lithuanian embassy in Beijing.

13 Chinese parliamentarians arrived in Lithuania on Monday for a five-day visit. A Lithuanian parliamentary delegation visited China last summer.

In meetings with Lithuanian parliament leaders, the Chinese lawmakers, among other things, spoke about the problem of Tibet. In their opinion, concern of some Lithuanian MPs about the situation in Tibet is caused by insufficient or distorted information.

On Tuesday, the Chinese delegation was to meet with Prime Minister Adolfo Slezevicius and members of several parliamentary committees and factions.

During their stay in Lithuania, the Chinese lawmakers also plan to visit the city of Kaunas, Vilnius University and the ancient Lithuanian capital of Trakai.

NPC Delegation on Tibet Conditions

LD1107211995 Vilnius Radio Vilnius Network
in Lithuanian 2000 GMT 11 Jul 95

[FBIS Translated Text] Speaking at a meeting held today with a delegation from China's National Peoples Congress [NPC], Ceslovas Jursenas, chairman of the Lithuanian Seimas, stressed that in 1991, when Lithuania was aspiring to join the United Nations, China's consent was also of great importance, ELTA reports.

During the course of talks, the chairman of the Lithuanian Seimas briefed the visitors on Lithuania's political and economic development.

The visitors spoke about China's economic development and solutions of internal problems. According to the chairman of the Lithuanian Seimas, being aware that Lithuania has an interest in Tibet, the members of the delegation pointed out that everything in the state occupied by China is more or less normal and that no change is expected.

Tibetans essentially have no complaints. Only a few think differently and disseminate disinformation, said Ceslovas Jursenas after the meeting, describing the view on Tibet held by the delegation of China's National People's Congress.

The visitors also met Prime Minister Adolfas Slezevicius and members of the Seimas foreign affairs and state and law committees today.

Prime Minister Receives NPC Delegation

LD1107220395 Vilnius Radio Vilnius Network in Lithuanian 2100 GMT 11 Jul 95

[FBIS Translated Text] On Tuesday, Prime Minister Adolfas Slezevicius received a delegation from China's National People's Congress [NPC] headed by the NPC vice chairman, the Baltic News Service reports. It was stressed during the talks that following China's recognition of Lithuania's independence on 7 September 1991, interstate relations have been developing successfully.

There are 58 joint venture or Chinese capital enterprises operating in Lithuania. Political relations are beginning to emerge. Both sides expect that Lithuania's embassy, which is to open in Beijing, will contribute to improving mutual relations.

However, the possibilities of Lithuanian-Chinese economic relations have not been exhausted. The Lithuanian prime minister drew attention to the fact that a free economic zone near Siauliai could become an air bridge to China and that the port of Klaipeda could become the exit point for Chinese goods to Western Europe.

Chinese experience in carrying out reforms is of great interest to Lithuania. In addition, experience in running free economic zones in China would be beneficial as well, Adolfas Slezevicius said.

Thirteen Chinese parliamentarians arrived in Vilnius on Monday on a return visit. On Tuesday, the delegation was received by Ceslovas Jursenas, chairman of the Lithuanian Seimas.

Protocol Signed To Join European Convention

LD1107194595 Moscow INTERFAX in English 1448 GMT 11 Jul 95

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] VILNIUS, July 11 (INTERFAX) — Lithuania has signed Monday the ninth protocol of the European Human Right and Basic Freedoms and joined the European convention on international

recognition of sentences in criminal cases, officials in the country's Foreign Ministry told INTERFAX.

A ministry press service official said that Lithuanians will be able to bring their grievances directly to the European Human Rights Court within three months after the ratification of the protocol by the Lithuanian parliament.

Lithuania joined the European Convention in May 1993 and signed its Protocols 1, 4, 7 and 11 last April.

The joining of the convention on recognition of sentences signifies that once this document is ratified, Lithuania undertakes to impose penalties under sentences pronounced in other countries that have joined the convention, the official said.

Economics Minister Cites Differences for Resignation

WS1207105895 Tallinn BNS in English 1604 GMT 11 Jul 95

[FBIS Transcribed Text] Vilnius, Jul 11, BNS — Lithuania's outgoing Economics Minister Aleksandras Vasiliauskas says he was forced to resign because his views on economy sharply differ from those held by Prime Minister Adolfas Slezevicius.

In an interview with the top Lithuanian daily LIETUVOS RYTAS, Vasiliauskas said all his initiatives were in most cases immediately rejected by the head of the Cabinet as unacceptable.

Last week, the premier asked Vasiliauskas to resign, saying he was unsatisfied with the Economics Ministry's sluggish work on several draft laws concerning the second stage of privatization, small and medium business development and state property management. Slezevicius has also accused the ministry of failing to prepare a strategic plan for bringing Lithuania's economic laws in line with European Union standards.

Vasiliauskas contends that such a plan was initiated by his ministry and prepared 5 days later than scheduled only because it had to be compared to the so-called White Paper, which lists political and economic measures that must be taken by countries aspiring to EU membership.

Lithuanian President Algirdas Brazauskas, who is currently on a month-long vacation, has not yet accepted the minister's resignation.

The fate of the Economics Ministry itself is to be decided after final decisions on the principles of further privatization are taken.

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